

**NEW DEAL FOR YOUNG  
UNEMPLOYED PEOPLE:  
A GOOD DEAL FOR EMPLOYERS?**

**FINDINGS FROM PRELIMINARY  
QUALITATIVE RESEARCH WITH EMPLOYERS**

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**Final Report**

**Prepared on behalf of the Employment Service**

**November 1998**

## **Acknowledgements**

I am grateful to the Employment Service staff in each of the study areas who met with me to discuss the set up of New Deal in their area and who provided invaluable help in generating the sample of employers. Additionally, thanks go to Rebecca Hutten at the Research and Evaluation Division of the Employment Service who gave strategic advice and guidance throughout the study.

I would also like to thank the employers who gave generously of their time to speak to us and share their views and experiences of New Deal for Young Unemployed People.

Within Social and Community Planning Research (SCPR), I would like to acknowledge the essential contributions of Jill Keegan and Diana George who conducted many of the interviews with employers and whose expertise was of enormous benefit to the study. Finally, I would like to thank Jane Ritchie for her support throughout the research.

The views expressed in this report are the authors' own and do not necessarily reflect those of the Employment Service or Department for Education and Employment.

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## EXECUTIVE SUMMARY

### **Key Findings**

The key findings from this preliminary study show that employers were generally enthusiastic about New Deal. Those employers with positive experiences of New Deal were favourable towards recruiting through New Deal in the future and those with less positive experiences still tended to be willing to continue their participation, attributing difficulties to teething problems. Such difficulties included a lack of information following the signing of an employer agreement and a limited awareness of the Gateway period- leading to frustration among some employers awaiting New Deal recruits. There was little evidence of employers intending to use New Deal to subsidise their wage bill by regularly recruiting and laying off New Deal recruits and they gave a number of reasons why they wanted to retain their New Deal recruits on a permanent basis.

The employers in this study identified a number of advantages and disadvantages of participation in New Deal. Advantages included the subsidies and the screening of job applicants while disadvantages included the cost of employing people who may not be work ready and the costs associated with training.

### **Chapter 1. Introduction**

This report presents the findings of the initial stage of a two-part study of employers' responses to New Deal for Young Unemployed People (aged 18-24). It is based on data from qualitative, in-depth interviews with 24 employers conducted between May and August 1998, soon after the national launch of New Deal. Findings from this baseline study will be compared to findings from a follow-up study (to be conducted in Spring 1999) to help understand whether and how employers' attitudes change over time and with experience of New Deal.

The key objectives of the baseline study were to: explore employers' views of the advantages and disadvantages of taking part in New Deal and the factors influencing their decisions about participation; set views about New Deal in context by examining employers' recruitment practices particularly in relation to young and unemployed people; explore the factors which employers view as the main barriers to employing 18-24 year

olds; and investigate employers' views of the role of government programmes, the advantages and disadvantages of taking part and ways in which employer involvement could be encouraged. This qualitative work will also be used to aid the development of a national survey of employers' attitudes to and experiences of New Deal.

Employers from the public, private and not-for-profit sectors were included in the study. They varied in size (i.e., number of employees) and both local as well as national employers were included. Employers who were participating in New Deal as well as those who were not were interviewed. The study areas reflect a range of local labour market conditions as well as different contractual delivery models of New Deal to help set responses in context.

### **Chapter 2. Knowledge and Awareness of New Deal for Young Unemployed People**

All of the employers in this sample were aware of the New Deal, though they did not

necessarily have a clear understanding of it. Regular contact with local Jobcentres did not necessarily imply greater awareness or understanding of New Deal.

Employers usually required multiple sources of information to understand how New Deal works and how it could apply to them. Typically, an initial 'trigger' raised awareness and encouraged them to look further (e.g., an invitation to a local New Deal launch). This was usually followed by general information provision (e.g., presentations by ES staff, information packs, etc.). Lastly, more specific information was required about how New Deal would operate in their own workplace. At the latter stages of this process, employers emphasised the importance of being able to ask detailed questions and to receive definitive replies.

There were mixed reactions to the television advertisements for New Deal. Some described them as 'interesting' and 'intriguing' whereas others felt they were 'confusing'. Those who remembered the New Deal literature liked it and described it as 'colourful', 'upbeat', and user-friendly. Literature produced by other local providers (as distinguished from the ES publicity) was sometimes criticised as more difficult to understand.

Although employers generally liked the presentations sponsored by the ES and its Partners, they were criticised for not containing enough detailed information. Presenters were not always able to answer their questions fully and some left with unfavourable impressions of New Deal.

Problems were noted in relation to follow up to the initial marketing events. This included a lack of further contact or information once employers had signed New Deal agreements, lack of responsiveness from local offices to telephone calls, and a lack of detailed information about New Deal's operation locally.

Employers varied in their level of understanding of New Deal according to how actively they were participating in the programme. *Active participants* have employed a New Deal client or are hoping to do so soon. They tend to have a fairly comprehensive understanding of New Deal and have considered how it will operate in their workplace. Other employers could be described as *passive participants*. They had signed an employer agreement, but had not actively sought further information and may not have read the literature they were given. They had no further contact with the Employment Service or its Partners since signing an agreement and described themselves as awaiting further news.

Employers had a patchy awareness of the Gateway period and were unsure of its duration. Only the most aware mentioned options other than the subsidised employment option, but those that did viewed the choices inherent in New Deal as positive for young people and employers. Employers commonly had an image of New Deal clients as socially disadvantaged, lacking qualifications and possessing only basic skills. All but the least informed were aware of the training requirements of New Deal. Although they were generally aware of the New Deal subsidies, employers did not always know the amounts involved.

Employers' initial impressions of New Deal varied, but they tended to be sceptical and reserved judgement until they see how the programme works in practice. Their scepticism was linked to: distrust of government programmes, the belief that such initiatives may be about publicity rather than real change, and lack of faith in the abilities of those appointed to deliver New Deal. More positively, some saw New Deal as different from previous programmes and were optimistic about how it could help their company or organisation.

### **Chapter 3. Factors Influencing Participation in New Deal for Young Unemployed People (aged 18-24)**

The study identified four routes by which employers decided to take part in New Deal. These included: active pursuit of New Deal as a means of furthering a business or social goal; opportunistic participation *after* a suitable recruit was identified (i.e., whom they would have recruited anyway); in response to direct marketing/ appeals (i.e., participation because the organisation was specifically asked to do so); and local implementation of a head office decision to participate.

Non-participation in New Deal resulted from: lack of awareness; an active decision against participation; and lack of the relevant information to make a decision. Non-participation does not always imply rejection of the programme and employers were open to innovative solutions or further persuasion.

Factors *positively* influencing participation included: the perception that New Deal can help to address identified labour requirements; the subsidies; the perceived 'simplicity' of participation (among those with some experience of New Deal); the perception that participation is consistent with the organisation's social goals; and external encouragement to take part (e.g., by senior staff, head office, etc.). Factors *negatively* influencing participation included: lack of job opportunities or a perceived mismatch between labour requirements and the recruits available via New Deal; aversion to the perceived risks of recruiting young and/ or unemployed people; negative experiences with other government programmes; concerns about extra costs/ hassles with participation; lack of information about New Deal; and the perception that other programmes are better suited to their needs.

Employers identified a range of possible advantages and disadvantages with participation. *Advantages* included: the wage

and training subsidies; access to a wider pool of screened and 'work ready' job applicants; and a positive image of the business/ organisation via their support for New Deal. *Disadvantages* of participation included: the extra costs of employing people who may not be work ready; the costs of administering the programme; the time and effort of setting up new training arrangements and integrating training within the workplace; difficulties in getting detailed information about the programme and in dealing with local delivery agents.

Employers with experience of other programmes for young and unemployed people believed that New Deal aims to do more for young unemployed people than previous programmes. Specific merits of New Deal included: the perception it offers young people more choices/ involves less compulsion, that it provides training and employment opportunities with good future prospects, that the subsidies are reasonable given what is required of employers, the belief that young people will be better matched to employers and jobs, the regular monitoring and support provided by Personal Advisors, and the sense that New Deal is less bureaucratic.

### **Chapter 4. Experiences and Expected Impacts of New Deal**

Collectively, employers sought a range of skills or characteristics in New Deal recruits including: generic skills and abilities; personal and social skills; basic academic skills; positive work attitudes and behaviour; willingness and ability to learn; and flexibility.

The jobs and training they planned to provide to New Deal recruits included entry level posts with opportunities for progression, unskilled work or special training positions. These employers did not expect graduates to be New Deal clients and therefore did not see graduate posts as relevant to New Deal.

There was little evidence of employers intending to use New Deal as a means of subsidising their wage bill by recruiting new people and laying off previous recruits every six months. All but one of the participating employers in this study planned to provide permanent employment. Employers also noted that New Deal recruits will be allowed to apply for internally advertised vacancies suggesting that New Deal may provide a 'foot in the door' even if the initial job is not permanent.

A very limited number of employers in the study had recruited a New Deal client. Findings from these employers included: favourable views of the support provided to employers and New Deal clients by Personal Advisors; the perception that young people were not always appropriately prepared for interviews; and varying degrees of success in matching New Deal clients to the employer's specifications.

Employers with New Deal recruits found the administrative aspects of the programme simple and 'user-friendly'. Employers generally emphasised the importance of a streamlined process for administering New Deal and wanted delivery agents to be responsive to their needs. Some problems were reported in these areas.

Those still waiting to recruit New Deal clients were dissatisfied with the lack of information and contact from the ES or its Partners since signing an employer agreement (sometimes several months before). They emphasised that more feedback must be provided to enable employers to incorporate New Deal into their recruitment planning.

In terms of whether New Deal 'tips the balance' towards the recruitment of young and unemployed people, examples of how it may have a positive impact included: improving access to young and unemployed people leading to their increased recruitment;

increasing the attractiveness and lowering the risks to employers of recruiting these people; enhancing the attractiveness of New Deal clients compared to others (via subsidies as well as work preparation, etc.); providing more job interview opportunities for New Deal clients; and decreasing competition for jobs for New Deal clients.

It was too early for employers to say whether participation in New Deal is worthwhile, but those with New Deal employees were positive about it. Typically, employers said that participation will have been worthwhile if certain goals or conditions are met (e.g., if they are able to get 'suitable' recruits through New Deal, if they can improve their in-house skills base through training young people, if there are no extra hidden costs of participation).

## **Chapter 5. Looking to the Future**

Those who had positive experiences were favourably inclined towards recruiting New Deal clients again. Those with more negative experiences were usually willing to persevere because: they attributed difficulties to individuals rather than New Deal, problems had been addressed well by the ES, and because they appreciated that there are 'teething troubles' with any new initiative.

Suggestions for marketing New Deal more effectively included: marketing New Deal more actively and emphasising specific 'selling points', leaving more time to address employers' questions at presentations and giving employers more specific information about what participation will entail. Suggestions for following up the initial marketing more effectively included keeping employers updated through newsletters and feedback sessions, visiting employers who have signed employer agreements, and making information more accessible through helplines, etc.

Employers' suggested improvements to New Deal included extending the length of the subsidised training period, offering alternatives to employers to providing off-site training, extending the age range of New Deal to include 16-17 year olds, providing more information to employers, and enabling recruitment of clients across New Deal area boundaries.

## Chapter 1. Introduction

### 1.1 Background to the study

This interim report presents the findings of the initial stage of a two-part study of employers' views of and responses to New Deal for Young Unemployed People. It is based on qualitative data collected during July and August 1998, soon after the national launch of New Deal. The material presented here forms part of a multi-stage and multi-method evaluation of the New Deal initiative and represents an attempt to gauge employers' reactions to the programme from its inception. Given the small scale and preliminary nature of this study, it is not intended as a self-standing piece of research, but rather as part of an ongoing evaluative programme with employers consisting of a range of qualitative and quantitative components.

### 1.2 New Deal for Young Unemployed People (aged 18-24)

New Deal for Young Unemployed People is part of the Government's wider Welfare to Work strategy. Its principal aims are to help young people aged 18- 24 who have been out of work for 6 months or more and claiming Jobseeker's Allowance<sup>1</sup> to find and keep jobs. In practice, New Deal helps to prepare young people for work by means of a staged process of assistance. This begins in the 'Gateway' period, when each young person is assigned their own personal adviser, access to careers advice and other specialist help to overcome

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<sup>1</sup> In some cases, these conditions do not apply, such as for groups with particular disadvantages who may opt to join New Deal before they have been unemployed for 6 months.

barriers to employment. The Gateway may also involve intensive help with job searches to enable job ready young people to take-up unsubsidised employment opportunities. The Gateway period lasts for up to four months. After this point, those who have not found unsubsidised work will continue to receive help through four New Deal options, outlined below:

- **A job with an employer** with the equivalent of at least one day per week devoted to working towards an approved qualification. Employers receive a subsidy of up to £60 per week for up to 6 months towards the cost of employing the young person. Additionally, they receive up to £750 towards the cost of training their New Deal employee.
- **Work within a voluntary sector organisation** for up to six months. This also involves the equivalent of at least one day per week working towards an approved qualification.
- **Work within the Environment Task Force** which provides up to six months of work to improve the environment and also involves at least one day per week (or equivalent) training towards a qualification; and
- **Full-time training or education** for up to one year to enable young people to complete a course of training or study.

A follow-through strategy is also available to ensure that New Deal clients continue to

receive support and assistance, where necessary. This includes providing support both while on an option, upon completing an option, and if the client returns to unemployment.

Given the objectives of New Deal to help young people find and keep jobs, employers' reactions to the initiative are clearly an important factor which will help to determine its success. Employers have a crucial role to play both in relation to providing unsubsidised employment opportunities for young people and in their willingness to provide subsidised employment and training as part of the New Deal options. By the end of August 1998<sup>2</sup>, 23,400 young people had gone into jobs from the Gateway, over 70% of those went to unsubsidised jobs. Additionally over 22,000<sup>3</sup> employers have signed agreements expressing their intention to offer jobs and training to New Deal clients as part of the New Deal options. These figures provide an early indication of the extent to which employers have embraced the New Deal concept.

### 1.3 Research Objectives

There were a number of key objectives in this baseline stage of the evaluation. They were to:

- explore employers' views of the advantages and disadvantages of taking part in New Deal;
- examine employers' recruitment and selection procedures to understand what

guides their decisions in relation to young and unemployed people;

- explore the factors which employers view as the main barriers to employing 18-24 year olds; and
- investigate employers' views of the role of government programmes, the advantages and disadvantages of taking part and ways in which employer involvement could be encouraged.

Additionally, the baseline qualitative study is intended to provide an initial reference point which will enable insights into whether and how employers' attitudes change over time and with more experience of New Deal. A follow-up qualitative study is planned which will include a longitudinal element, tracking the views of a purposively selected group of employers over time. Finally, the qualitative work will also be used to aid in the development of national survey of employers' attitudes to and experiences of New Deal.

## 1.4 Research Design

### 1.4.1 Overview of the research design

As noted above, the research design for the qualitative components of the evaluative work with employers involves a two-part research strategy. The first, reported here, consisted of 24 in-depth interviews with employers conducted soon after the introduction of New Deal on a national basis<sup>4</sup>. The second stage, which will take place in the Spring of 1999, will involve 80 in-depth interviews with

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<sup>2</sup> DfEE Statistical First Release, 29 October 1998.

<sup>3</sup> This figure covered the period up to the end of June 1998, DfEE News, 27 August 1998.

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<sup>4</sup> Interviews with employers were conducted during July and August 1998, approximately 3-4 months after the national launch of New Deal for Young Unemployed People.

employers. This will include a group of employers who participated in the baseline stage of the study in order to assess any changes in attitudes with time and experience of the programme. Both participating and non-participating employers will be included in the follow-up work to help illuminate the circumstances and motivations associated with participation and non-participation in New Deal.

#### ***1.4.2 Qualitative research***

Qualitative research methods were used because of the exploratory nature of the research objectives and the need for detailed accounts of recruitment processes, attitudes, motivations and experiences. Qualitative methods are particularly well suited to illuminating complex processes such as these and to exploring in an open-ended way subjects about which little is known.

Throughout this report, findings are reported thematically rather than numerically as qualitative research cannot provide statistically reliable insights into the extent to which observations occur in the wider population of employers.

#### ***1.4.3 Conduct of the research***

In order to generate a sample of employers and to familiarise the research team with the circumstances in each of the study areas, briefing sessions were held with New Deal staff from local area offices. These were not formal interviews, rather they were wide ranging, informal discussions designed to provide some understanding of the context

within which New Deal is being delivered in the study areas.

Employment Service staff in each area also provided contact details of local employers to be invited to participate in the study. Further details of the sampling strategy are provided in section 1.5 below and in Appendix 2.

#### ***In-depth interviews with employers***

The in-depth interviews with employers lasted approximately one hour and topic guides were used to provide a broad framework of issues to be explored in each case. A copy of the topic guide can be found in Appendix 2. The interviews were tape recorded with the permission of respondents and were transcribed verbatim for subsequent analysis. For further details about the conduct of interviews and analytical methods used, please refer to Appendix 2.

### **1.5 Sample design and profile**

The sample areas were chosen in order to ensure diversity in relation to a number of factors which could potentially influence employers' perspectives and experiences of New Deal. These included:

- geographical area (including England, Scotland and Wales)
- geography (i.e., urban, rural, mixed areas)
- level of unemployment in the locality
- model of delivery of New Deal (i.e., ES individual contract, ES contract with a consortium, joint venture, private sector)

Additionally, all the employers in this study said that they did or could employ young people within the New Deal age range of 18-

24. Employers who said that they have no jobs suitable for young people within this age range were not included in the research.

The five fieldwork areas which were selected from across the New Deal Districts were: Renfrewshire (Scotland); Heads of Valley & Caerphilly (Wales); Soutwark; Hereford and Worcester; and West Lancashire. Among these areas, each of the 4 delivery modes is represented, and areas of very high as well as very low unemployment were included.

A number of factors were considered important in ensuring that a balanced cross-section of employers were represented in the study. These included:

- size of employer (i.e., number of employees);
- sector of the employer (i.e., public, private or voluntary sector); and
- New Deal status (i.e., committed to participation, considering participation, unlikely to participate/ some which have had contact with the ES about New Deal and others which have not).

**Chart 1** provides an overview of the achieved sample of employers, with further details of the sampling strategy provided in Appendix 2.

## 1.6 Structure of the report

**Chapter 2** explores employers' awareness and understanding of New Deal for Young Unemployed People, including sources of information about New Deal. Their experiences and responses to the marketing of

New Deal are highlighted, as are their initial impressions of the programme.

**Chapter 3** identifies the factors influencing employers' participation in New Deal. It considers the processes and context in which decisions about New Deal are made as well as the perceived advantages and disadvantages of participation. Finally, employers' views of how New Deal compares with other programmes for young and unemployed people are outlined.

**Chapter 4** goes on to examine employers' expectations and experiences of New Deal to date. The perceived impacts of New Deal on both participating and non-participating organisations are considered as are employers' own assessments of whether New Deal has encouraged them to think more about recruiting young and unemployed people. The chapter ends with their overall analysis of whether participation in New Deal is (or has been) worthwhile for their organisation and the reasons for this.

**Chapter 5** looks to the future in terms of employers' expectations of their own involvement in New Deal and the future employment prospects of their New Deal recruits. A summary of employers' suggestions for how New Deal could be improved is also provided. Finally, their views about possible participation in other New Deal programmes are summarised.

Appendix 1 provides an overview of employers' perspectives on recruitment and training. It focuses firstly on general issues of

recruitment priorities, policies and practices and then explores more specifically views and experiences of recruiting young and unemployed people. Lastly, it considers employers' views and practices in relation to staff training.

**Chart 1                      Sample of Employers**

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**Total of 24 employers**

**Sector:**

Private sector	17
Public sector	5
Not-for-profit sector	2

**Type of establishment:**

Head office of an international/national/ regional business	5
Branch site of an international/national/ regional business	5
Sole site of the business/ organisation	10
Other	4

**Size of business/ organisation (no. of employees):**

	<u>Employed in total</u>	<u>Employed at this establishment</u>
0-50 employees	8	10
51- 500 employees	3	9
501+ employees	12	5
Don't know	1	-

**Industrial sector:**

Manufacturing	6
Construction	1
Transport	3
Health and social work	3
Wholesale & retail trade	2
Community, social & personal services	6
Public security, law & order	1
Public service activities	2

**New Deal status:**

Already signed employer agreement	16
Undecided about participation	5
Definitely will not participate	1
Unsure about nature of participation (i.e., whether to provide voluntary work or subsidised employment)	2

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## **Chapter 2. Knowledge and Awareness of New Deal for Young Unemployed People**

This chapter explores what employers know about New Deal and how they came to find out about it. It looks specifically at sources of information about New Deal, the nature and level of employers' knowledge and understanding of the initiative and their responses to the ways in which it has been marketed. Lastly, it considers employers' initial impressions of New Deal for Young Unemployed People.

### **2.1 Sources of information and the process of learning about New Deal**

#### ***2.1.1 Sources of information about New Deal***

It was sometimes difficult for employers to say where they first heard about New Deal. In some cases, it was several months ago and they may have heard more about New Deal from a variety of different sources since that time. A sense of haziness therefore surrounded the issue of where people had *first* come into contact with New Deal, but employers were typically able to describe several different ways in which they had received information about the programme.

All of the employers in this sample had some awareness of the New Deal or had been contacted in some way about it,

though they did not necessarily have any clear understanding of its details. This heightened level of awareness is perhaps not surprising given that the sample was obtained from contacts at New Deal local area offices. However, some of the employers did not use the Jobcentre to advertise vacancies and were not participating in New Deal and even they had some awareness of the programme. While this would suggest that the marketing of the programme has been effective in raising employers' awareness of the initiative, no firm conclusions can be drawn from this data as issues of this type are more reliably explored quantitatively, using statistically representative samples. The various ways in which employers became aware of New Deal are highlighted below in **Chart 2.1**.

As the chart illustrates, there are a range of different types of information available about New Deal which are accessible to employers generally. However, some employers clearly had access to a wider range of sources of information than others.

The amount of information they had about New Deal depended to some extent on how interested they were in the programme. Some had clearly looked further into it than others and therefore had attended local launches, spoken to ES staff or other delivery agents about how New Deal relates to their circumstances, and had been given

information packs about the programme.

Others heard about the initiative through their involvement with professional, business and industry networks and have access to additional sources of information about New Deal via that route. Similarly, some employers have their own internal organisational networks which were responsible for raising awareness of the programme among other parts of the organisation. In these cases, even employers who were not initially motivated enough to have sought out the information themselves still found out about the programme.

Perhaps contrary to expectation, regular contact with local Jobcentres did not necessarily imply a greater level of awareness of New Deal. Some regular advertisers of vacancies noted that they vaguely remembered having been invited to a local launch, but if they had not pursued the invitation, they may not have had any other contact about New Deal. It is perhaps worth indicating that employers who did not attend the local area launches were not necessarily signalling a lack of interest in the programme (indeed they may have very limited knowledge of it), and during interviews, they commonly said that they would welcome further information and contact from ES staff or others about New Deal.

### **Chart 2.1 Sources of information about New Deal**

- media coverage (e.g., news programmes)
- specialist industry or professional journals
- television advertisements about New Deal
- information from employer or industry networks (e.g., local authority associations, Institute of Personnel and Development, trade unions, etc.)
- information from within their own organisation
- invitations to local area launches of New Deal
- Jobcentre or Employment Service representatives
- developmental meetings on the set up of New Deal in the area
- presentations from local training providers
- letter about New Deal in their PAYE packet
- leaflets in the post

#### ***2.1.2 The Process of learning about New Deal***

Generally, multiple sources of information were required by employers to understand how New Deal works in principle and how it might work in the context of their own workplace. Typically, there was the initial 'trigger' which raised awareness of New Deal and encouraged employers to look a bit further. This might have taken the form of a memo about the programme circulated within their own organisation, a letter about the programme in their PAYE packet (though this was not

commonly mentioned), or an invitation to attend the local launch of New Deal.

This was usually followed by some general information provision about New Deal, commonly in the form of breakfasts or lunches to which employers were invited by local ES representatives and where informational presentations were given about the programme. In some cases, employers were not invited to or did not otherwise attend these presentations and then they either had to pursue the information in some other way (e.g., sending off for an information pack or ringing the local Jobcentre to get more information) or alternatively, they may not have bothered to make further enquiries and the issue was left to drop.

Lastly, employers commonly then required more specific advice and information about how the programme would work in their own context. This generally involved direct contact with the ES or other providers of New Deal in their area. At both the second and third stages of this process, employers wanted to ask questions and be reassured about the processes of participation in New Deal.

## **2.2 Views and responses to the marketing of New Deal**

The fact that employers found out about New Deal in a variety of ways highlights the multi-faceted nature of the marketing of the programme. Employers rarely compared the marketing of New Deal to the ways in which previous employment and training programmes have been marketed, and tended instead to focus on particular aspects of the marketing with which they had some experience and a clear view. Their views of the different aspects of the marketing are discussed separately in the sections which follow.

### ***2.2.1 Television advertisements***

For some employers, initial awareness of New Deal was linked to the television advertisements promoting the programme, though some employers could not recall ever having seen them. Among those who had seen them, there were mixed responses. Some described them as ‘interesting’ and ‘intriguing’ whereas others felt they were simply ‘confusing’ and could not understand them. In the case of the latter, it was only after they had received more detailed information about New Deal that they understood the messages in the television advertisements.

### ***2.2.2 Promotional Literature about New Deal***

Although employers may have received promotional literature and information packs about New Deal, they had not necessarily read through them in any detail. Some looked on the provision of

such documents as a good reference which they have filed and will consult later, as required. This is an important issue as it means that they may not remember to re-visit the information about New Deal when they are recruiting staff. This is considered in greater detail in section 2.2.4 in relation to follow-up after the initial marketing efforts.

In terms of its presentation, those that clearly remembered the literature liked the way it looked and described it as ‘colourful’, ‘upbeat’ and ‘glossy’. It was generally considered to be user-friendly and easy to understand, though this was not the case necessarily with literature produced by other local area providers (as distinguished from the Employment Service publicity). This perhaps indicates a need to standardise the format of the promotional materials across different providers in New Deal districts.

There were variations in the extent to which employers found the literature completely sufficient in informational terms. Some felt that it answered all of their questions about the programme while others said that they were still left

with questions about how it would work in their own case. It would perhaps be unreasonable to expect a general information pack to answer everyone’s specific questions in detail, but this may again highlight a need for ongoing

discussion and follow up by ES representatives and/or other providers in promoting New Deal among employers.

### ***2.2.3 Presentations about New Deal***

Employers in this sample had attended presentations sponsored by the Employment Service and its partners in the delivery of New Deal in local areas, as well as events hosted by other organisations such as the local Chamber of Commerce, associations of local authorities, and networks of personnel managers.

Focusing firstly on presentations sponsored by the ES and its partners or delivery agents, employers generally liked the informal atmosphere associated with breakfast or luncheon meetings. Although the nature of the presentations appeared to vary from area to area, they were perceived as generally intending to inform employers about New Deal rather than attempting to ‘sell’ the programme to them. This approach was described by one employer as ‘rapport building’ and provided a relaxed opportunity to hear more about how the programme operates locally and whether it would be appropriate in their own company or organisation. In some areas, this type of informational meeting was followed by a general invitation to contact the local ES office if employers wanted more information about New Deal. It was therefore perceived as having been left

very much to employers to pursue the matter further.

*'I think it's a good idea [the presentations]... people can relax a bit more...and listen to that's being said... At the end of the day they want to know what's in it for them and how will it help their particular company improve their output, their capability, their members of staff or whatever. (Private sector employer, security industry)*

Another aspect of the presentations which employers found useful was the contact this brought with other local employers. This gave them the chance to assess local reactions to the programme and to hear the types of questions which other employers have about New Deal. Employers commonly were interested in which other companies or organisations are taking part and how it is working for them and this is one consideration which may influence their decisions about participation.

A recurrent view which employers had across the New Deal districts in the study was that the presentations did not contain enough detailed information. Employers commonly felt that the presenters could not answer their questions fully and they did not find this reassuring. Specifically, they wanted more information about the process of participation including the administration associated with the programme, how the subsidy would be

paid, how training could be arranged, etc. They also wanted further details of what would happen next if they chose to participate and the timing of when they could expect to recruit New Deal clients. The perceived lack of information gave some employers the impression that the programme had not been well considered and had been implemented too quickly. Others, however, accepted that the start of any new programme is likely to involve some early uncertainties about the process.

*'... Many employers seem to have a concern that this programme is overly bureaucratic and that they're going to be burdened by significant hassles if they take someone on ... I got the impression that a number of employers did not receive satisfactory answers or satisfactory reassurances to concerns that they had.'*  
(Public sector employer)

Some employers also came away from the presentations with unfavourable impressions of the programme. For example, one employer recalled how the presenters had remarked on the fact that few employers were participating in the programme locally. In light of the tendency of employers to search for reassurance about the participation of others, this type of comment may not be helpful in promoting the programme. Others noted that after attending the presentations, they understood that the programme is primarily for young 'disadvantaged' people who have had

problems finding work and who had very low level qualifications (if any).

*'I can't remember exactly what was said, but I was assuming that perhaps they were young people who found it harder to get jobs, perhaps because of lack of qualifications or other, perhaps home disadvantages where they hadn't had the chance perhaps to progress as much as they might have'. (Private sector employer, construction industry)*

Lastly, in an area where another organisation has been contracted to deliver New Deal, an employer described the presentation as incomprehensible 'gobbledegook' and he came away with neither a clear understanding of the programme and how it would work nor faith in the delivery agent's own understanding of New Deal.

Experience of New Deal presentations hosted by organisations not involved in its delivery was less common, but employers who had attended such events generally found them useful. They described these presentations as 'balanced' and felt that they were in language which was easily accessible. In some cases, presenters also provided advice and encouragement about participation in New Deal which employers found helpful. These events also put employers in contact with other employers in similar circumstances with whom they could discuss participation in the programme.

#### ***2.2.4 Follow up to the initial marketing efforts***

Employers raised issues not only in connection with the initial marketing initiatives, but also the subsequent follow up. Some noted the sense that New Deal is not actively being 'sold' to employers and that once the initial presentations were over and employers had signed agreements to participate, further news about New Deal has not been forthcoming. Some linked this lack of follow up to the perceived lack of details in the presentations and voiced concerns that those implementing New Deal may not be clear about what is happening with the programme themselves.

*'My concern is a couple of times I've spoken to a few of the New Deal advisors and they've been a bit unsure what their next stage is...I've got to admit that one department of the Employment Service, they opened a New Deal Department, and...one department didn't know what another department was doing half the time.'* (Private sector employer, transport industry)

Rather than wait for further contact from local providers of New Deal, some employers took the initiative themselves to contact the local offices and enquire about the progress of the programme. Their questions focused largely on how many New Deal clients would be going on to the subsidised employment option in their area (i.e., how large the local pool of potential recruits would be) and when potential clients were expected to

be available for interviews and work. There appeared to be substantial variation in the level of understanding among employers about the Gateway process and how long it lasts, as is noted in the following section on employers' knowledge about New Deal. This perhaps led to an expectation that New Deal clients would be available to enter the employment option more quickly than has been the case.

Additionally, some employers have reported contacting the local area offices to make enquiries and getting no response from local staff. In one case, an employer has logged the number of calls they have made to the local ES office which have not been returned. Others described similar situations where they simply have not been able to obtain the information they require about the programme.

There also appear to be differences in how employers who have expressed an interest in New Deal are handled. In some cases, employers described contacting local offices and having someone visit their workplace to discuss the programme and how it would apply to them. In other cases, no one has reportedly been to visit the employer despite the fact that they have signed an employer agreement to participate in New Deal. Employers generally wanted this sort of contact if they had signed an agreement, and they wanted to discuss the suitability of their employment

arrangements and training plans for New Deal clients. Where this sort of follow up had not occurred, employers tended to feel that their participation was not particularly valued. Some felt that those who could not attend the presentations should also be followed up in some way by the ES or other providers. Given that inability to attend the presentation does not imply that employers would be unreceptive to participation in New Deal, employers who had been in this situation typically said that they would have welcomed some sort of further contact about the programme.

Lastly, it is perhaps important to indicate that signing an employer agreement may not necessarily lead to participation in the programme. Indeed, some employers viewed this as expressing their willingness in principle to participate, but did not feel committed to doing so in practice simply because they had signed an agreement. They usually felt that they required further information in order to see clearly how participation would work for them and how to begin the process of participation in terms of recruiting a New Deal client. This requires some sort of follow up in order to help employers plan for and accommodate both their own recruitment needs and the needs of New Deal clients. The lack of follow up may mean potentially missed opportunities for New Deal clients.

By way of example, one employer had signed an employer agreement signalling their intention to participate in New Deal. They had attended presentations and had 'filed' the information pack, but when they recently recruited, they did not advertise the vacancies with the Jobcentre and relied instead upon a file of speculative applications. They had not re-visited the information they had about New Deal while recruiting and because they did not advertise with the Jobcentre and have had no further contact from the Employment Service about New Deal, there was no prompt at the relevant moment to consider a New Deal applicant.

## **2.3 Employers' Knowledge and Understanding of New Deal**

### ***2.3.1 Level of knowledge and understanding***

As might be anticipated, there are wide variations in employers' knowledge and understanding of the features and processes of New Deal. **Chart 2.2** illustrates the circumstances associated with employers having a greater or lesser understanding about the specifics of New Deal. The key messages highlighted by the chart are discussed below.

#### ***Circumstances in which employers were more knowledgeable about New Deal***

Firstly, *active participation* in New Deal is clearly associated with greater understanding of the programme. That is, employers who have employed a New Deal client or those who are hoping to do so soon appear to have engaged more fully with New Deal. They tend to have a fairly comprehensive awareness of the features and criteria of New Deal and have considered in detail how this relates to their participation in the programme. They may still have some unanswered questions, but they are clear about the concept and specifics of the programme.

There is also a group of employers who are either still considering participation in New Deal or who have discounted it as unsuitable for them but who gathered information about the programme quite systematically as part of their decision making process. They too were knowledgeable about the programme and had grasped its finer points.

Not included in the chart is a more tentative finding which should perhaps be explored quantitatively. In this small scale sample, public and voluntary sector employers tended to be more knowledgeable about New Deal. A few factors seem likely explanations for this. Firstly, these organisations were sometimes involved in initial discussions about the set up of New Deal in their area which gave them quite strategic insights into the programme.

Additionally, public sector employers reported having been strongly encouraged to participate in New Deal and this meant that they actively looked into a range of possible ways in which they could take part (e.g., Environment Task Force option, employment option, voluntary work option and work trials or job tasters). Similarly, voluntary sector organisations sometimes had looked into the programme quite carefully in the process of deciding whether to participate in New Deal and if so, whether to take part in the voluntary work option or the employment option.

***Circumstances in which employers were less knowledgeable about New Deal***

Those who knew less about the programme tended to be less actively engaged with New Deal for a number of reasons. Firstly, some were vaguely aware of New Deal as a programme, but had not really moved beyond a very superficial level of awareness. They may have received an invitation to a breakfast or luncheon presentation, but could not attend and did not pursue the matter further. They therefore were aware that there is a New Deal programme, but tended not to have any detailed knowledge about it.

Others had moved slightly beyond this stage, but their awareness was again quite superficial. These employers had generally attended a New Deal

presentation, but had discounted the programme as unsuitable for them at that point and had not pursued it further. They had not generally taken the time to read carefully through the literature about New Deal having already decided against participation.

Lastly, there were a group of employers that could be described as *passive participants* in New Deal. They had been to presentations and had signed an employer agreement and in principle, were taking part in the programme. However, they had not actively sought any further information about it and had perhaps not read the literature they had been given. They had had no further contact with the Employment Service or other local delivery agencies since signing an agreement and they described themselves as awaiting further news or information. In one case, the employer had not signed the agreement personally and was a manager in a branch of a high street store which had signed a national agreement. While aware that the organisation was committed to participation in the programme, it had not yet mobilised to provide information and encourage more active commitment at a local level. The manager was therefore awaiting further developments and had not pursued it in detail at the local level.

### ***2.3.2 Areas of greater or lesser knowledge***

This section provides an overview of some of the areas in which employers were more or less clear about the specifics of New Deal. Employers were not asked to list all that they knew about the programme in detail and this therefore provides a rather impressionistic overview of the issues which came most readily to mind for them. Of greatest relevance are areas where there appear to have been misunderstandings as this might indicate possible issues requiring further exploration. Again, this area is probably best examined quantitatively, though the material presented here may suggest specific areas for further exploration.

While not necessarily aware of all the details of New Deal and the specifics of the employment option, there was common recognition that the purpose of New Deal is to provide both training and employment for ‘youngsters’.

Some employers were under the impression that young people *choose* to take part in New Deal and that they are not compelled to participate in the way that they have been with other programmes. They described this as reassuring as compulsion has had negative consequences for employers in the past. It appears that they may be misinterpreting optional participation in the employment option with optional participation in the programme itself. Others had more clearly understood that

there are elements of both compulsion and choice in New Deal.

**Chart 2.2 Circumstances linked to greater or lesser understanding of New Deal**

Circumstances associated with greater understanding of New Deal	Circumstances associated with lesser understanding of New Deal
<ul style="list-style-type: none"> <li>• Currently participating in New Deal (i.e., have recruited a New Deal client)</li> <li>• Have signed an employer agreement and are <i>actively</i> pursuing participation in New Deal</li> <li>• Have looked into New Deal fully before deciding against participation in New Deal (or are still undecided)</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness of New Deal has not been raised before the initial ‘trigger’ stage (i.e., heard about it, but not looked into it further)</li> <li>• Have signed employer agreement, but have not actively pursued participation in New Deal               <ul style="list-style-type: none"> <li>* awaiting further follow up</li> <li>* agreement was signed on behalf of a national company rather than locally</li> </ul> </li> </ul>

***The Gateway***

There were varied levels of awareness among these employers of the Gateway and what happens during this period. Some had recognised it as a discrete phase in the New Deal programme and had broadly understood its purpose, while others were much more vague about it.

*‘... Not everyone goes through the full Gateway period because obviously some have got skills...But, if need be, they’ve got this Gateway period that they will go through.... [and] identify exactly what skills these people had, what skills these people needed and what type of jobs these people were actually looking for and would be happy doing ....’* (Private sector employer, food processing industry)

There was a general lack of clarity about the *duration* of the Gateway period and this perhaps led to the sense of frustration which some employers described in relation to not yet having been sent any New Deal recruits. It appears that they would benefit from a clearer understanding of what the purpose of the Gateway is and how long it will last and this may help to encourage greater patience among some employers.

***New Deal Options***

Only the most aware employers mentioned options other than the subsidised employment option. This clearly reflects their own involvement and perspective of New Deal. Those that did mention other options viewed

the choices inherent in New Deal as very positive both for young people and for employers. As noted above, employers worried that they would be sent people who did not really want to work and that this would be a waste of time. The range of options available reassured them that this probably would not be the case and that young people who are not able or willing to work would not be sent to them.

### ***New Deal participants***

In terms of the young people who are New Deal clients, there was a recurrent image that they are ‘socially disadvantaged’ and have had difficult backgrounds. They are also believed to lack qualifications or have only very basic skills and little work experience. Employers generally did not expect that there would be people with higher level qualifications such as graduates participating in New Deal. Some employers had based their decisions not to participate in New Deal on this image of New Deal clients and the view that these were not the sort of people they usually recruit.

*‘I would suspect that the people who are coming through New Deal are the ones that ...are socially disadvantaged...I think one of the problems for these young people is that their role models are probably family who perhaps haven’t worked, don’t work, don’t want to work...You would like to think that you’re going... to be able to...show them that there can be a different way and it’s worthwhile working... but ...*

*it’s obviously not going to be easy because of their background.’* (Private sector employer, transport industry)

### ***The Employment Option***

There was an understanding among some employers that New Deal clients go through some type of preparation before being sent to employers, but as noted above in relation to the Gateway, they were not necessarily clear about what this would involve or how long it would take. They simply expected that young people would be ‘job ready’ when they appeared for an interview.

In relation to the training element of the employment option, there was an awareness among all but the least informed that employers must provide training with the employment. Those with a clear understanding of it described it in various ways but were aware that it was the equivalent of ‘25 days’ training or ‘8 hours per week’ or ‘1 day per week’. Some also mentioned that it is usually ‘below NVQ level 3’. They had not necessarily fully planned how they would provide the training in their own company but were aware that the training had to be approved. A desire for guidance around the training issue was quite common.

### ***Subsidies to employers***

Employers were generally aware that there are subsidies attached to the employment option in New Deal. Some were clear about the specific amounts while others were just aware that there

were 'grants available' without knowing how much they were.

## **2.4 Initial Impressions of New Deal for Young Unemployed People**

Employers were asked to describe their initial impressions of New Deal, and what they thought about it when they first heard of it (more considered views are explored in Chapter 3). There were a range of both positive and negative first impressions.

### **2.4.1 Scepticism**

Although employers' reactions varied considerably, there was a recurrent sense of scepticism coupled with a tendency to reserve judgement until the actual operation of the programme becomes clearer. This reflects the fact that at this baseline stage, it is still 'early days' in the life of the initiative and even those employers who have signed employer agreements may not have had any experience with New Deal clients, nor with the administrative and training processes involved in participation.

Looking more closely at the reasons why employers were somewhat sceptical, for some it was linked primarily to their distrust of government programmes and the sense that such initiatives may be more about publicity than an actual attempt to effect change. For example, one employer described

the programme as a 'license to print money' for those who already recruit young people and have training programmes in place. This reflects an expectation that the programme may not actually achieve very much.

Similarly, some pointed to a perceived inability of those involved in the marketing of New Deal to answer questions about the operation of the programme and felt that this was evidence that the programme may be a 'political' statement which was launched without full preparation.

Others did not perceive the programme to be very different from other government programmes for young and unemployed people (Youth Training was mentioned quite commonly). As the other programmes were not always viewed as particularly effective, they were not confident that this one will be either. Similarly, one employer felt that the programme was designed on the American 'Welfare to Work' model and did not view this as an appropriate example to follow.

Lastly, some employers were not convinced that those appointed to deliver New Deal in their area were the best choices given their past track record. This included both private sector delivery agents and the Employment Service itself. In their view, this casts doubts on the likely effectiveness of the programme.

#### ***2.4.2 Lack of relevance to their company***

The initial reaction of some employers was that the programme is simply not relevant to their company or organisation. There were two reasons given for arriving at this conclusion<sup>5</sup>. Firstly, the belief that New Deal clients will have only low level qualifications and come from disadvantaged backgrounds and that these are not the people they seek to recruit. Secondly, some employers felt they could not or did not wish to conform to the training criteria of New Deal. These issues are discussed in greater detail in the next chapter.

#### ***2.4.3 Optimism about the programme***

On a more positive note, some employers did see New Deal as something different and indicative of real change. In part, this is linked to a sense that New Deal is an initiative which is making a positive social statement as well as potentially benefiting individual young people and employers. One employer who is participating in the programme described their sense of being 'pleased and proud' to be part of it. Others felt that the subsidies to employers were recognition of the difficulties that employers may encounter in recruiting young people and represented an

attempt by the Government to show real commitment to training and job creation. Some also felt it would provide more encouragement to recruit young people.

Other employers were optimistic about the ways in which New Deal could help their company or organisation (as described in Chapter 3).

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<sup>5</sup> All of the employers in this study said they did or could employ young people aged 18-24. Employers who would consider New Deal irrelevant because they have no jobs suitable for young people are therefore not represented in this research.

## **Chapter 3. Factors Influencing Participation in New Deal**

This chapter focuses on the factors which help to explain employers' participation or non-participation in New Deal for Young Unemployed People. It considers firstly the processes by which such decisions are made and the key issues taken into account in deciding whether to take part. The perceived advantages and disadvantages of participation are explored in detail as are employers' views of how New Deal compares with other programmes for young and unemployed people.

### **3.1 Decision making processes and New Deal for Young Unemployed People**

This section explores how employers reached decisions about participation in New Deal and the types of factors which played a key role in influencing them. It should be noted that 'participation' in this context relates both to employers who have already recruited New Deal clients as well as to those who have signed an employer agreement signalling their intention to participate, but who have not yet recruited a New Deal client.

#### ***3.1.1 The decision to participate in New Deal***

Employers who opted to participate in New Deal arrived at their decision via various routes. The four ways in which this happened among these employers are outlined below.

##### ***Active pursuit of business opportunity***

Some employers heard about New Deal and identified it fairly quickly as a good business opportunity. They actively pursued information about the programme and viewed it as a way to further their own business goals while also helping the unemployed or the local community. The key factor influencing their participation however was that New Deal could help with their own business needs. Examples of types of business issues which they felt could be addressed by New Deal included balancing the age profile of the workforce by bringing in more young people, developing a sustainable in-house skills base, providing a good source of the types of people that are regularly recruited and helping to fill difficult vacancies (largely for unskilled jobs).

##### ***Implementation rather than active decision***

In larger organisations, the decision to participate in the programme may be made at a very senior level. The decision is then communicated throughout the organisation and implemented by managers at the local

level. Some of the employers interviewed did not play a part in the decision to participate in New Deal but were given responsibility for overseeing the organisation's participation in the programme locally. In giving their own views about reasons for participation, local managers tended either to refer to the business case, perhaps citing the same sorts of reasons noted above, or alternatively, highlighted the place of the programme within the organisation's commitment to supporting the community and being a 'socially responsible' employer.

#### ***Responding to direct marketing***

In one case, the employer decided to participate after being approached by an Employment Service representative with a specific request to take part. They had not sought out information about the programme, but having been visited by an ES representative who actively sought their participation, they decided it would be good for the organisation and would work well with their existing training and employment practices. This was an example of direct marketing of the programme drawing in employers who might otherwise not have considered participation.

#### ***Opportunistic participation***

The last way in which participation occurred among these employers is perhaps best considered a sub-category of the 'business opportunity' route, but

it has been included as a separate category here because it highlights a number of important issues. Although there was only one case of this sort among this small scale sample, it may be important to quantify the extent to which this route has been taken among employers more widely.

In this case, the employer had heard about New Deal but had not actively pursued participation in the programme. During a recent recruitment exercise, they identified a good candidate who passed through all their vetting and screening criteria. After having decided to appoint the individual, the employer then realised that this was a young person within the New Deal age range who had been unemployed for some time. They then rang the local ES office and asked if this person was eligible for New Deal. The young person's eligibility was confirmed and the ES arranged the employer's participation in the subsidised employment option at that point.

This raises two important issues. Firstly, the employer would have been willing to recruit the young person without a subsidy and was going to do so even if the young person had not been eligible for New Deal. Depending on the extent to which this type of situation occurs, this may indicate potential dead-weight within the programme which should perhaps be explored further. Secondly, the

employer also noted that they had vaguely remembered about New Deal but had not actively considered it during their recruitment activities until *after* they had identified a suitable candidate. This highlights the need to keep New Deal in employers' minds at the time when it is most relevant, during or just prior to recruitment exercises when it may help to influence the choice of recruit.

### ***3.1.2 Decisions against participation in New Deal***

Among employers in this study, non-participation involved two different types of situations. In the first, they simply had very little awareness of New Deal and had not sought further information or involvement. In the second, they had made an active and considered decision not to participate in the programme. Both scenarios raise interesting issues for the marketing of New Deal.

#### ***Active decision not to participate***

Some employers who ultimately decided against participation had initially explored New Deal as a potential 'business opportunity'. They are similar to the employers in the business opportunity group, but for a variety of reasons, had decided that New Deal would not be suitable for their organisation. Examples of why New Deal was assessed as *currently* unsuitable for them included a lack of recruitment opportunities in the short to

medium term, limited staff resources to devote to training and supervising a young person, perceived 'irreconcilable differences' between the company's normal practices and the structure of training and employment required by New Deal, and negative experiences with previous programmes together with a belief that New Deal would not really be very different.

The fact that they are not '*currently*' participating is key in relation to some of these employers as they generally appeared to be open to innovative solutions or further persuasion. They had come to a halt in relation to their own research of whether participation in New Deal would be feasible for them, but generally felt they might be more receptive to participation when their circumstances change or if they could be shown a way to make it work for them. In one case, the training requirement was a particular problem, especially as the employer felt they could not take the recruit off the job one day per week. Other possible ways of arranging training had not been suggested to them, although this might have swayed their decision about participation. Similarly, another employer explained that a lack of support for employers in previous programmes made them reluctant to be involved again. However, they were very positive about the need to train and develop young people and said that if someone could convince them that

employers would receive more support with this programme (i.e., backup in dealing with 'difficult' young people), they would very likely be willing to participate.

### ***Lack of awareness of New Deal***

Other employers in the study had heard something about New Deal and had been invited to local area launch, but were unable to attend. They had not particularly considered New Deal beyond this point and had either not been contacted again about it or had not made time to explore the possibilities more fully if they had been followed up. They had not decided *against* New Deal, but neither had they taken the time to look into it fully. After the interview, they tended to say they would explore it further, having decided they might be missing an opportunity. Employers in this group also noted the importance of repeated follow-up and keeping New Deal at the forefront of employers' minds. While they did not want to be 'bombarded' with information about New Deal, they suggested the issue could perhaps be raised again by ES staff, particularly if they were regular advertisers with the Jobcentre.

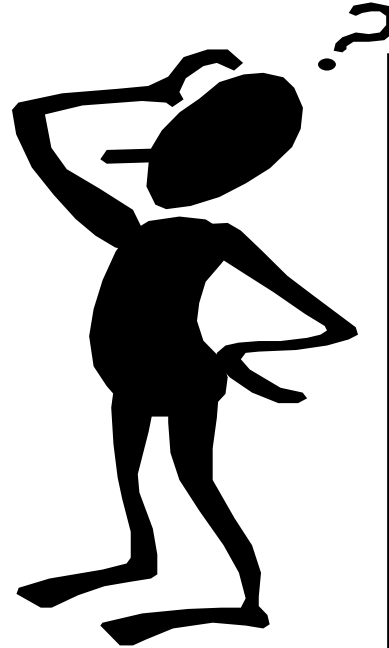
### ***3.1.3 Inability to reach a decision about participation***

Some employers had actively sought information about New Deal and considered it carefully, but described themselves as still undecided about participation. They were not ready to

give up on the possibility of taking part, but tended to have some of the same concerns as those who had actively decided against participation. These people were still actively searching for more advice and guidance, and perhaps represent an opportunity for the ES and its partners to actively 'sell' New Deal by helping employers to see how it could be made to work for them. This might involve helping to develop creative solutions to training or putting employers in contact with others (such as TECs) which might be better placed to devise tailored training systems. Generally, employers in these circumstances required further convincing, which highlights again the need to follow up on the initial marketing efforts with further discussion, advice and guidance.

**Chart 3.1** provides an overview of the specific factors which employers considered in their decisions about participation in New Deal.

**Chart 3.1 Factors Influencing Participation in New Deal**



**Factors *positively* influencing participation**

***Labour requirements:***

- need to recruit younger staff to train in strategic skill areas
- recruitment of young people is required to balance the workforce age profile
- labour required for difficult to fill/ ongoing vacancies or one-off posts
- ND provides a readily available pool of screened applicants

***New Deal subsidies:***

- subsidy helps to defray training costs (may be used to subsidise existing training costs)
- viewed as a financial incentive to take part
- may enable extra recruitment by reducing costs (especially for smaller employers)
- may lead to strategic labour savings (especially for larger employers who can take on a higher volume of ND clients)

***Simple to take part:***

- perceived lack of ‘hassle’/ bureaucracy associated with the programme (especially among those with experience)

***In keeping with community commitment/ social philosophy:***

- value is placed on providing opportunities for young and unemployed people
- supports Government’s attempts to help unemployed
- coincides with own goals of providing support to the community
- desire to set a positive example for others

***External ‘encouragement’:***

- encouraged to support New Deal (e.g., by senior staff or local/ national officials)

**Factors *negatively* influencing participation**

***Does not fit with labour requirements/ lack of opportunities:***

- no vacancies available
- unable to create new jobs (even with the subsidy)
- perception the programme cannot be used quickly (i.e. to deal with immediate, unplanned labour requirements)
- concerns about ‘quality’ of New Deal clients (in terms of skills, qualifications, problems related to social disadvantage)

***Desire to avoid perceived ‘risks’ associated with recruiting young people:***

- linked to negative previous experiences with young people
- uncertainty about suitability of young people for identified labour requirements

***Desire to avoid perceived ‘risks’ associated with recruiting unemployed people:***

- cannot use usual ‘vetting’ procedures due to lack of references, inability to check previous employment record or assess ability for this job with reference to previous work experience

***Negative experiences with other programmes/ disbelief this will be different***

- lack of support for employers
- lack of effective screening of candidates
- hassles associated with administration

***Concerns about extra costs/ hassles with administration***

***Still have important unanswered questions about the programme***

***Other programmes suit their needs better than New Deal***

### **3.2 Perceived advantages and disadvantages of participation**

In assessing New Deal, employers noted a range of possible advantages and disadvantages which might be associated with the programme. This section focuses on the advantages and disadvantages which all those interviewed identified, including both participating and non-participating employers. This therefore reflects both directly observed and anticipated advantages and disadvantages. An analysis of actual experiences of participation in New Deal which draws entirely upon the accounts of participating employers is provided in Chapter 4.

#### ***3.2.1 Perceived advantages of participation in New Deal***

Employers could see a range of possible advantages associated with participation in New Deal, both from their own and from a social perspective. From their own business or organisational perspective, the following were described as particular ways in which New Deal may be advantageous to them.

#### ***Subsidies***

The wage and training subsidies were viewed as offering advantages to employers by reducing the costs of employing and training young people. This was a commonly mentioned and clearly appreciated advantage of

participation, though some employers pointed out that the subsidies alone would not encourage their participation if the programme was viewed as unsuitable in their own business circumstances.

Others also noted that the subsidies would not provide an incentive to recruit a New Deal applicant over others if they were not the best suited candidate for the job. They suggested that the subsidies were not enough to compensate for the extra expense and difficulties associated with employing an unsuitable person. The programme may therefore encourage employers to interview New Deal candidates, but the subsidies are not necessarily expected to be the deciding factor in recruitment decisions. This is similar to findings about the influence of the National Insurance Contribution Holiday on recruitment decisions<sup>6</sup> and is discussed in greater detail in Chapter 4.

There was also a sense that the subsidies may be more advantageous to some employers than others. For example, some felt that larger employers stand to benefit more from the subsidies because their larger volume of recruitment may lead to greater savings. However, some larger employers noted that these savings will probably not be noticed (particularly at the local level where recruitment and training occurs) as they

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<sup>6</sup> Snape D. (1998) *Recruiting long-term unemployed people*, DSS Research Report No 76.

will be absorbed in the more complex financial arrangements of their organisations.

Others felt that relatively speaking, smaller employers stand to gain more from the subsidies as the savings may make the difference between being able to employ an extra member of staff or not. However, some smaller employers noted that their ability to recruit another member of staff depends not just on their financial capacity to pay their wages and train them, but also on the volume of work to be done, other staff resources available to devote to supervision and training, their ability to finance new equipment or provide a workspace for the individual and their ability to cope with potential disruption within the workplace if problems arise. The attractiveness of the subsidies therefore may be less straightforward than it initially appears.

### ***Training***

Apart from financially assisting with the costs of training, some employers also felt that the New Deal requirement to provide training towards an accredited qualification may serve as a catalyst to making training more widely available within the workplace. While they may have recognised the value of training, they may not have put formal training systems in place and some employers felt that New Deal may provide the impetus to do so. Others noted that but for the training subsidy, they could not

afford to provide training and New Deal will therefore encourage and enable a training opportunity which would not otherwise have existed. Additionally, one employer indicated that the training subsidy would mean that they do not have to pass the costs of training onto new recruits (as is currently their practice). This means that unemployed people will have greater access to employment and training in their organisation. Depending upon the extent to which such new opportunities for training are created through New Deal, this could be an important advantage of the programme at the macro level as well as at the level of individual firms.

### ***Access to a wider pool of applicants***

Advertising vacancies via New Deal was viewed by some as a means of widening their pool of potential recruits. This was seen as advantageous by some simply because they have ongoing vacancies and would like as wide a pool of applicants as possible from which to choose. For others, it was viewed as a possible source of local applicants who would be interested in permanent employment and training in their organisation and who could lend greater stability to the organisation than the temporary staff they currently employ. The latter situation applied to a company which had chronic difficulties in retaining staff and had difficulty filling vacancies.

*We liked the idea...more people to interview if you like...It was... almost like having an agency which is going to look after you and get these people put forward to you .... So if someone else can generate the punters as it were and we can see them, all the better.* (Private sector employer, security industry)

### ***Effective screening of job applicants***

Advertising vacancies via New Deal was also seen as a way to tap into a better system for screening and matching job applicants to vacancies than the regular services offered by the Jobcentre. Some employers believed that under New Deal, more care will be taken in evaluating the abilities, aspirations and needs of the applicant and matching these to the specific requirements of the employer. This was viewed as advantageous to employers in that it will ensure that they will waste less time seeing applicants who are unsuitable or who they believe do not really want to work.

*...They try to match candidates really to your requirements, you know. With this New Deal, I was given actually what I wanted and when the candidate came back he had most of the skills to start the training programme, you know, it was good.* (Private sector employer, manufacturing industry)

### ***Access to 'work ready' applicants***

Some employers noted that the preparation for work which young people receive during the Gateway will

also be very beneficial. They felt that the Gateway will help both with developing greater motivation to work and will also provide young people with basic skills such as literacy and numeracy which they might otherwise lack. This is expected to provide employers with access to a pool of young applicants who have been well prepared for work.

### ***Job creation***

This point overlaps with advantages linked to the subsidies (see above) but has been included here with a slightly different emphasis. Some employers felt that New Deal would enable them to create new jobs and this in turn was seen as making a positive contribution to organisational effectiveness. This is another advantage of the programme which potentially has implications at both the micro and macro levels.

### ***Positive image of helping the community/ supporting New Deal***

While supporting New Deal was viewed as positive by some employers in terms of demonstrating a commitment to the local community or to social welfare generally, there was also a sense that this would have positive repercussions for the employer. There was a desire among some to be associated with the programme because it was viewed as the 'right' and socially responsible thing to do and this seemed advantageous in public relations terms. Additionally, some felt that their participation would

serve as a positive example to other employers and encourage wider participation in the programme.

### ***3.2.2 Disadvantages of participation in New Deal***

#### ***Drain on organisational resources***

One of the disadvantages of participation noted by employers is the drain on organisational resources inherent in recruiting and employing people who are unused to work and require training. While subsidies may help to compensate for this, employers nonetheless emphasised that it will be difficult to meet commercial deadlines while 'carrying' staff members who are not fully productive. Additionally, some felt that New Deal clients, possibly coming from a background of social disadvantage as well as unemployment, may require more supervision and support than other young people. This may mean a reduction in the productivity of other staff members as well. Lastly, the administrative aspects of participation in the programme were also thought to pose a potential drain on resources, particularly in organisations without staff devoted solely to personnel administration.

#### ***Difficulties related to the training requirement***

Employers without the types of training in place required by New Deal counted the time and effort involved in

organising training among the disadvantages of the programme. Some employers said that they required further guidance in developing appropriate training but were unclear where to look for this. Additionally, some understood the requirement to be one full day per week off the job training and felt this would be extremely difficult to accommodate within their existing work arrangements. Furthermore, some felt that the New Deal training requirements were not flexible enough, particularly where they had training in place which they viewed as adequate but which does not meet the programme's criteria. Lastly, there was concern about how employers will be checked to ensure their compliance with the training requirements.

#### ***Possible inequities in the treatment of New Deal clients and others***

There was some concern about how participation in New Deal will relate to existing equal opportunities practices. A particular dilemma was how to reconcile a commitment to supporting young unemployed people via New Deal without simultaneously biasing recruitment towards New Deal candidates and against others. Additionally, some felt that problems could arise in the workplace if some staff were given training but not others. This either meant making a wider commitment to training which would be more expensive or coping with potential demoralisation of other staff members.

### *Difficulties in getting information about the programme*

As noted earlier, another disadvantage some employers cited was a perceived inability to get full answers to their questions about the programme.

### **3.3 Comparisons of New Deal with other training programmes**

The material in this section draws upon a sub-sample<sup>7</sup> of employers who had direct experience of other government sponsored training and employment programmes. Although this is not a systematic analysis of how New Deal is thought to compare to the range of other programmes for young and unemployed people, this section highlights the key ways in which New Deal is thought to be similar or different to other programmes. Some of the programmes with which these employers had experience included Youth Training (YT), Youth Training Scheme (YTS), Skills Seekers, and Modern Apprenticeships.

There was really one key message from employers who had experience of other programmes and that is, at this early stage, they believe that New Deal aims to do more for young unemployed people. They commonly felt that New Deal is fundamentally more ambitious

than other programmes have been. There was a sense that New Deal is about giving young people real opportunities for training and work rather than simply serving as a device for lowering unemployment figures as was the perceived intention of some other programmes.

*Well, it seemed that there was going to be a development opportunity, not just [an] employment - for - now opportunity...There was a training component in it [and]... on the employment side,...a reasonable rate for the job and not just an extra tenner or travel expenses...There was a commitment to look at whether or not jobs could be created for these young people...That comes across better to young people I would say and employers seem to have committed themselves to that in the main. (Publicly funded company)*

Although awareness of the specific features of New Deal varied considerably (as described in Chapter 2), collectively, these employers identified a range of ways in which New Deal is expected to be an improvement over previous programmes. The specific shortcomings noted in connection with other programmes as

well as the ways in which New Deal is viewed as an improvement are presented in **Chart 3.2**. Their assessments reflect an appreciation of what is perceived to be a programme

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<sup>7</sup> Approximately two-thirds of the employers in the study have some experience of other programmes and were included in the analysis for section 3.3.

which may be of real benefit to both employers and young people.

It is important to note that some employers also mentioned positive experiences of other programmes and expressed some reservations about New Deal. For example, there was a commonly expressed view that those responsible for New Deal need to ensure that young people are given real long term employment opportunities through New Deal and that employers are not allowed to use the programme for temporary jobs. Additionally, some employers felt that the training associated with New Deal may still be insufficient to compensate for longer term educational deficits (i.e., some doubted that the time in the Gateway is enough to provide basic literacy and numeracy skills) or that the importance of ongoing training opportunities must be emphasised (i.e., the subsidised training should be viewed as just the beginning of ongoing skills development). Lastly, some other programmes were thought to attract a more highly motivated and less socially disadvantaged clientèle (e.g., Modern Apprenticeships and a LEC programme called 'Skills Seekers' aimed at school leavers who want to develop vocationally relevant skills were examples given).

**Chart 3.2 Comparisons of New Deal with other employment and training programmes**

New Deal for Young Unemployed People	Other employment & training programmes
<ul style="list-style-type: none"> <li>• Gives young people <b>more choices</b>/ involves less compulsion (and therefore may lead to more motivated New Deal clients applying for jobs)</li> <li>• Involves providing <i>real</i> training and <b>employment</b> opportunities (i.e. permanent employment at standard wages for the job, but need to ensure jobs really are permanent)</li> <li>• <b>Subsidies seem reasonable</b> given what is required of employers</li> <li>• More extensive <b>preparation</b> of young people <b>for work</b> during the Gateway means job applicants may be more ‘work ready’ (i.e., will have basic literacy and numeracy skills before being sent to employers)</li> <li>• <b>Better matching of young people to employers and jobs</b> through more extensive analysis of clients’ abilities and needs as well as those of employers</li> <li>• <b>Regular monitoring</b> of young person and employment situation by Personal Advisors (may provide more support for employers)</li> <li>• <b>Less bureaucratic</b> than other programmes/ more ‘user-friendly’</li> </ul>	<ul style="list-style-type: none"> <li>• Greater element of <b>compulsion</b> in pressuring people to apply for jobs (applicants who did not want to work wasted employers’ time)</li> <li>• created ‘<i>artificial employment</i>’ opportunities/ perceived ‘exploitation’ of young people as ‘cheap labour’</li> <li>• <b>Subsidies were easier to obtain</b> with some other programmes (e.g., £500 for employing an eligible person for at least 6 weeks via one TEC programme)</li> <li>• Previously sent job <b>applicants</b> who were <b>not ‘work ready’</b></li> <li>• Previously sent <b>candidates not well suited to the work</b> or ‘from the lower end of the market’</li> <li>• <b>Support for employers was not there</b> if there were difficulties with the young person</li> <li>• ‘<b>Too many hoops to jump through</b>’/ too much bureaucracy for employers</li> </ul>

**Chapter 4. Experiences and Expected Impacts of New Deal**

This chapter looks at experiences of New Deal so far from employers' perspectives. It also highlights the current and planned experiences of young people participating in the employment option in terms of the work and training they will receive. The types of characteristics which employers seek in New Deal recruits is also considered along with their views about whether their recruitment criteria have been met by New Deal job candidates. Employers' perspectives on the nature of any current or expected impacts of New Deal are explored in relation both to their individual firms and the labour market or society more generally. Lastly, their initial assessments of whether participation in New Deal has been worthwhile are presented.

#### **4.1 What Employers are Seeking in New Deal Recruits**

This section draws only on the views of employers who are committed to participation in New Deal. This includes both those who currently have a New Deal recruit as well as those who have signed employer agreements but have not yet recruited a young person via New Deal.

Collectively, employers provided an extensive list of the types of characteristics they are looking for in New Deal recruits. While some of their

criteria were job specific, much of what they were seeking could be described as more generic skills, abilities and qualities. These included:

- personal and social skills (i.e., ability to get on well with others)
- basic academic skills (e.g., basic literacy and numeracy)
- positive work attitudes and behaviour
- willingness and ability to learn; and
- flexibility (in terms of working patterns, learning new skill areas, etc.).

Some employers, especially those in smaller organisations, also indicated the importance of recruits being able to take initiative and carry on with the work without 'constant supervision'. This was important because these employers tended to have fewer staff resources to devote to ongoing supervision. **Chart 4.1** provides an overview of the qualities which employers sought in New Deal recruits.

In addition to describing the types of recruits they were seeking, employers were also keen to emphasise the types of recruit they wanted to avoid. This tended to be the opposite of the qualities they were seeking, but given their sometimes negative past experiences of recruitment of young people and unfavourable experiences of participation in other programmes they were keen to emphasise qualities to be avoided. These included:

- poor work attitudes and behaviour (including poor timekeeping, lacking ‘work ethic’, poor attendance)
- lack of motivation (especially among those perceived to apply for jobs only because they are compelled to do so)
- lack of basic skills and/ or ability to learn
- lack of personal or social skills (though this was considered more important in some jobs than others).

#### **Chart 4.1 Characteristics sought by employers in New Deal recruits**

<p><b><i>Personal/ social skills:</i></b></p> <ul style="list-style-type: none"> <li>• comfortable working with people</li> <li>• customer service skills</li> <li>• ‘genuinely want to serve the public’</li> <li>• pleasant manner</li> <li>• able to build a rapport with clients</li> <li>• able to be supportive of special needs client group</li> <li>• empathetic</li> <li>• respectful of clients</li> <li>• communication skills</li> </ul> <p><b><i>Desire/ ability to learn:</i></b></p> <ul style="list-style-type: none"> <li>• problem solving ability</li> <li>• real desire to learn the skills being taught</li> <li>• able to work ‘without making a lot of mistakes’ after training</li> <li>• common sense</li> </ul> <p><b><i>Basic skills</i></b> (i.e., literacy and numeracy)</p> <p><b><i>Positive work attitudes and behaviour:</i></b></p> <ul style="list-style-type: none"> <li>• desire to succeed/ ‘reasonable degree of ambition’/ drive</li> <li>• good ‘work ethic’/ keen to pursue work</li> <li>• self-disciplined</li> <li>• willingness to work regularly and on time/ good timekeeping</li> <li>• taking an interest in the work</li> <li>• committed/ willing to stay in the job a while</li> </ul> <p><b><i>Flexibility:</i></b></p> <ul style="list-style-type: none"> <li>• willing to work shifts</li> <li>• capable of being flexible about work and work patterns</li> </ul> <p><b><i>Other qualities (less commonly mentioned):</i></b></p> <ul style="list-style-type: none"> <li>• experience of related work</li> <li>• openness in disclosing relevant information on job applications</li> <li>• life experience (i.e., from travel or extra-curricular or voluntary activities)</li> <li>• linguistic skills (i.e., bilingual)</li> </ul>
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## **4.2 Experiences of New Deal Employees**

### ***4.2.1 Training and employment prospects for New Deal recruits***

As with the previous section, this section incorporates material from interviews with employers who currently have New Deal employees as well as those who have signed an employer agreement but have not yet employed a New Deal client. It therefore illustrates both the training and jobs done by current employees as well as plans for future New Deal recruits.

#### ***Types of jobs provided***

The types of jobs employers are providing or plan to provide are consistent with the types of jobs they describe as most suitable for young people (see Appendix 1). That is, they are largely entry level posts with opportunities for progression, unskilled work or special training positions. Employers do not appear to view graduate posts as specifically relevant to New Deal and this reflects perceptions of New Deal candidates as lacking in qualifications and from socially disadvantaged backgrounds. It would also perhaps be unrealistic of them to expect to find graduates among New Deal clients participating in the subsidised employment option as graduates may be more likely to go into unsubsidised employment.

Some employers also said they were willing and able to employ a number of young people through New Deal. Employers in this situation generally had formal training programmes which they viewed as suitable for young people or were willing to put new systems in place. As would be expected, these tended to be larger employers with ongoing vacancies and employment opportunities. Some expected to employ New Deal recruits in a limited number of jobs within the organisation while others could envisage opportunities for young people throughout most departments and functional areas.

#### ***Duration of jobs***

Generally, there was little evidence in this study of employers intending to use the programme as a means of subsidising their wage bill by recruiting new people and laying off previous recruits every six months. Indeed, all of the employers in the study were providing permanent employment opportunities for young people except one. In this exceptional case, the only vacancies available when New Deal was introduced involved seasonal work. However, the employer is committed to participation in New Deal and wanted to be involved from the outset rather than waiting for permanent positions to become available. They also noted that the training and work experience they provide will be transferable to other employers in the area. Additionally,

while employed at this organisation, New Deal recruits will be given the opportunity to apply for any internally advertised vacancies which arise. This was also the case in several other organisations which suggests that New Deal may provide an important ‘foot in the door’ for young people even if the initial job is not offered on a permanent basis.

It is also important to note that employers had good reasons for wanting their New Deal recruits to stay on with the organisation. Firstly, they were generally hoping to recruit good new staff via New Deal and were making an investment in training which meant that these would be valued members of their workforce. In some cases, young people were part of a plan to develop and keep crucial skills within the organisation and it would be viewed as detrimental to the firm if they moved on quickly after acquiring these skills. Additionally, staff turnover was commonly viewed as leading to organisational instability and is costly in terms of new recruitment and further investment in training. These employers generally therefore wanted the New Deal recruit to become a long term member of staff rather than to churn young people through the organisation simply to acquire the subsidy.

*[It's] permanent. No, it's pointless putting in the time and effort training people if you*

*don't retain them.* (Private sector employer, manufacturing industry)

Interestingly, while they had their own reasons for not wishing to use the programme in this way, employers sometimes worried others would do so. They viewed this as detrimental both to young people and to the credibility of the programme overall.

*I could see with some employers that [the subsidy] may be some sort of incentive ...But certainly it had no influence on our decision. You know, he'll be here for as long as he satisfies our requirements.* (Private sector employer, manufacturing industry)

### **Training**

There were a variety of different types and levels of training provided in connection with New Deal posts. In some cases, employers had not yet finalised arrangements for the training and were still in the planning stages. As noted earlier, they sometimes required guidance and advice about how training could be arranged and/ or needed input on whether their current provision was adequate. Some employers clearly saw the New Deal requirements as a basic training foundation, but were willing to extend their training provision to higher levels, depending upon the desires of the individual trainee and the nature of their work.

**Chart 4.2** provides an overview of the types of jobs these employers have or

will offer via New Deal and the training to be provided with it.

#### ***4.2.2 Experiences with New Deal clients***

A limited number of the employers taking part in the study had taken on a New Deal recruit<sup>8</sup> or had direct experience of New Deal clients from job interviews. The fieldwork for this research took place quite early after the national launch of New Deal and young people were often still in the Gateway and were not yet ready to move onto the options. The material presented here therefore represents only a very anecdotal glimpse of some experiences with New Deal clients. It would be wrong to place too much emphasis on these findings as they have not involved a systematic examination of the full range of employers' experiences with New Deal clients and those with experience at this baseline stage represent only a very limited sub-sample. The follow-up stage of the research will be able to explore employers' experiences with New Deal clients in much more detail.

Even among this small sub-sample, there were a range of both positive and negative experiences of New Deal clients. Rather than exhaustively describing each situation, this section provides examples and attempts to

underline where important issues arise from which lessons might be learned.

#### ***Interviews with New Deal clients***

Some employers had experience of job interviews only. One employer described that he had three New Deal clients scheduled to attend interviews but two of them did not turn up and the last left when he was asked to do a simple maths test. The employer said that he had '*expected better of New Deal*', particularly as he understood that young people are carefully screened and prepared for interviews before being sent to employers. However, on a more positive note, he appreciated the support he received from the Personal Advisor in following up on what happened with these young people and felt that it was useful to have one person who is 'accountable' for overseeing the interaction between employers and New Deal clients.

Other issues which were raised in connection with interviews were the importance of ensuring that young people are given advice about dressing suitably (e.g., wear a shirt and tie, avoid very short skirts and '*earrings all over the place*') and that they are encouraged to describe their previous experiences fully. In relation to the latter, one employer noted that it was only after he appointed a New Deal recruit that he discovered the young person had

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<sup>8</sup> A quarter (6) of the employers in this sample had taken on a New Deal recruit.

**Chart 4.2 Employment and training opportunities offered through New Deal for Young Unemployed People**

Employment	Training
Multiple entry level or training posts in different departments of the same organisation (generally large public sector organisations)	NVQ/ SVQ level 2 in a variety of areas (related to the specific job) Up to NVQ level 3 in the relevant area
Factory operatives/ process operators	Involve job rotations as part of 'multi-skilling' and NVQ level 2 in relevant areas (e.g. meat and poultry processing) Training may continue up to a year Also non-accredited training in food hygiene, first aid, etc.
Retail general assistants (i.e., cashiers, shelf fillers, etc.)	NVQ level 2 in customer care/ employer is also developing own retail related NVQ which will be available
Trainee bus drivers	NVQ level 2 in coach driving/ training in customer care/ PCV license
Domestics/ office staff in a domestic care services agency	NVQ levels 1,2,3 offered/ training and ongoing development are encouraged for all staff
Clerical/ administrative/ secretarial jobs	College course in computing skills/ NVQ in a transferable skill area
Kitchen assistant in a residential home	Possibly linked to a college catering course (still in planning stages)
Furniture maker	College course in furniture making/ possible extension to 1 year course

relevant work experience which he had not mentioned during his interview.

### *Experiences of employing New Deal clients*

In terms of employment experiences with New Deal clients, only one employer reported difficulties with their New Deal recruits. They employed two people and felt that there were 'teething troubles' with both of them. In each case, there were problems with the young person not coming to work on time and lacking what the employer described as the appropriate 'work ethic'. While one of the individuals improved after discussion of the problems, the other did not and subsequently missed a number of shifts. Additionally, there was an issue about non-disclosure of a criminal record. Ultimately, the young person was dismissed.

Again, this was a circumstance in which the active and ongoing intervention of the Personal Advisor helped the employer to feel more supported through their experiences with the young people and they are still committed to carrying on with New Deal. However, this has reaffirmed for them the difficulties within the workplace of taking on young people they described as from socially disadvantaged backgrounds. The employer felt that they had been more tolerant of New Deal recruits than they would have been with other staff

members simply because they viewed their participation as a means of helping disadvantaged young people (rather than the organisation). They felt that this could be problematic from the point of view of equity within the workplace.

*I think with the [other] staff, they wouldn't be given so many chances as the New Deal people because we really have given this individual who we're parting company with a number of chances and he just hasn't turned up. He has been late and we've accepted that, but he has got more obstacles to getting work than other people, so we have been very understanding. (Private sector employer, transport industry)*

There were a range of more positive experiences as well where employers were very happy with their New Deal recruits and felt that they were making a valuable contribution to the workplace. These employers were clearly pleased (and sometimes pleasantly surprised) with how successful New Deal has been for them.

The following quote is illustrative of the positive experiences employers have had with New Deal clients.

*...As it turned out, he was a genuinely good guy...He was matched against all ages and all types, not simply young people, and he was a genuinely good person. He flew through all our tests. He interviewed well ...and he's settled in excellently. (Private sector employer, manufacturing industry)*

### ***4.2.3 Employers' perspectives on the process of participation in New Deal***

One of the apprehensions employers in this study had of participation in New Deal (as well as other such programmes) is the amount of bureaucracy and paperwork which will go with it. The experiences reported here by employers who have recruited New Deal clients is however, generally quite positive. In terms of the administrative tasks of filling in forms and claiming subsidies, the programme was described as quite 'user-friendly' and 'fairly simple'. In one case, an employer disagreed with this and said that there was 'too much form filling' and bureaucracy, but this employer was also participating in two of the other options as well and their response may have reflected this cumulative experience.

Although employers welcomed the support and presence of the Personal Advisor as someone that would help to oversee the quality of the experience from both the client's and the employer's perspective, they did not want excessive contact with the Employment Service and/or other providers. They particularly emphasised that participation in the programme would become onerous if it began to take up a significant amount of senior staff time in ongoing discussions. They wanted a streamlined process of setting up and administering the programme with visits which were

neither too frequent nor too long and where the providers were responsive to employers when called upon. There were a few problems reported in these areas (e.g., several different visits from ES staff to finalise participation arrangements, ES staff not returning telephone calls from employers, etc.), but generally participants were quite satisfied with their experiences of the administration of the programme so far.

From the point of view of those still waiting to recruit New Deal clients, however, there were rather more problems. As has been noted elsewhere, employers were not necessarily aware of the duration of the Gateway period and had therefore been actively awaiting New Deal job applicants for some time (i.e., since signing an employer agreement which could have been several months previously). Some of these employers had difficulty reconciling their perception of a pool of unemployed young people requiring work with the lack of potential new recruits appearing via New Deal. This led to a sense of real frustration for some who felt that they had agreed to participate in the programme, and in some cases had persuaded their managers that participation would be worthwhile, only to find themselves

waiting for an indefinite period for any action.

This situation appears to have been exacerbated by a perceived lack of on-going communication about the programme. From their viewpoint, they responded positively to the marketing efforts, agreed to participate, and then all fell silent. Employers commonly reported having had no communication initiated by the ES or its partners since signing an employer agreement. Where there has been some contact, it was at their own instigation and usually involved attempts to get details of what was happening and when they might expect to be sent New Deal job candidates. Another common query related to how many New Deal clients are expected to participate in the subsidised employment option locally.

In some cases, employers tried to get this sort of information from the ES but have reported difficulties with their telephone calls not being returned. Overall, some employers were left with the feeling that the programme organisers lacked detailed information themselves or were not giving them 'straight' answers about what they could expect.

Employers offered some suggestions as to how this situation could be improved including:

- keeping employers updated between signing an agreement and being sent New Deal clients (e.g., send out a

newsletter providing information on local progress); and

- providing feedback to employers where there appear to be difficulties identifying suitable candidates for them (i.e., so they know where they stand and can perhaps alter their employment criteria or circumstances to make it more feasible to get New Deal clients or alternatively so that they know when to seek other means of getting new recruits via New Deal).

*We're not getting information from the people who should be providing us with information...It's frustrating because we do have...a business that can provide permanent employment opportunities...It would have been nice to think that [of] the 1.8 whatever it is, millions of people who are unemployed,...[that] we would have had a few of them here by now. (Private sector employer, food processing industry)*

### **4.3 The perceived impacts of New Deal for Young Unemployed People**

Employers were asked about the expected impacts of New Deal, both in relation to their particular company or organisation and in terms of their competitive position relative to others. This was clearly an issue of greatest relevance to those who have New Deal employees or who have signed employer agreements as they would be expected to have more carefully

considered the potential (and observed) impacts of the programme.

Employers with New Deal employees noted a range of different ways in which they had been affected by participation in the programme. In terms of their own company, the wage subsidy was clearly important in helping to reduce the costs of employment. This in turn enabled some employers to recruit new staff when they otherwise would have been unable to do so and also enabled recruitment of what were described as 'better quality' employees. The latter referred to a situation in which an employer, by matching the subsidy, was able to pay a higher wage and attract an older recruit with some work experience. He felt that without the subsidy, he could only have afforded wages appropriate for younger people with no work experience.

Participation in the programme was also viewed as helping to keep the costs of recruitment down. This applied in situations in which the employer relied solely upon the ES to provide them with New Deal candidates who suited their recruitment criteria. In this way, the employer saved on the costs of a wider recruitment exercise (e.g., advertising and staff time spent sifting applications and interviewing a large field of candidates). It is important to note that recruitment practices varied and while some employers used this method, others still insisted on full scale

recruitment exercises in which the New Deal recruit was interviewed along with other non-New Deal applicants.

In relation to perceived impacts of New Deal on the wider labour market, some noted that the programme had encouraged them to recruit people in the New Deal age range when they otherwise would not have been inclined to do so. This was not a common theme among these employers, but in the rare instances in which it was mentioned, tended to be at the expense of people aged 16-18 who would otherwise have been recruited, trained and paid a training wage.

Lastly, one employer noted the benefits to young people of providing training and work experience. They indicated that they probably would not have recruited the young people in question (because there were concerns about their work attitudes) apart from a desire to offer training and development in keeping with their emphasis on social responsibility. They view their participation more as a benefit to the community generally than to the company.

Among those still waiting for New Deal recruits, the impacts at this early stage were solely in terms of time spent attending meetings, learning about New Deal and attempting to get information about it. This clearly represents money to firms and they are hoping that this

early effort will soon pay off in positive experiences with New Deal employees. They also described other impacts of the programme on their recruitment practices and their company. For example, one employer suggested that the savings associated with the wage subsidy for taking on several New Deal recruits may be enough to enable recruitment of another employee.

Other possible impacts of participation were that it might help to lower the average age of employees and thereby lead to a more balanced workforce with greater longer term stability and that it could improve the company's productivity by increasing the number of staff and decreasing reliance upon temporary staff.

Employers who are not participating in New Deal did not appear particularly concerned that the programme would impact negatively on them by giving participating companies a competitive advantage. Reasons given as to why this would not be problematic were:

- that the subsidies were not viewed as a substantial amount of money and be off-set by administration costs anyway; and
- that participating firms would take the time and effort to train New Deal recruits, but these more highly trained individuals may be recruited by non-participating firms in the

future (i.e., non-participants may benefit from the 'free-ride' of other firms having provided training).

*...I don't see it as a threat, I'm not really concerned about my competitors improving their own way of doing things...I don't see that that is detrimental to me. It could be an advantage to me at some time the future where someone else has trained someone [who] wants to come and work for me. (Private sector employer, manufacturing industry)*

#### **4.4 Does New Deal 'tip the balance' in recruitment decisions?**

An important question determining the success of New Deal for Young Unemployed People is whether it will positively influence employers' decisions about recruiting young and unemployed people. This small scale preliminary work can only provide a tentative indication of this, particularly as only a minority of employers in this sample have had experience of recruiting New Deal clients. However, employers were able to say how they expected to approach recruitment decisions in the light of their current and anticipated participation in the programme and this provides a first indication of the ways in which the New Deal might affect the recruitment of young unemployed people.

Some employers noted that the programme may encourage them to

recruit young and unemployed people in greater numbers simply because they will have easier access to a pool of screened and prepared applicants who have these characteristics. Their willingness to sign an employer agreement and to advertise their vacancies as suitable for New Deal in the first place indicates that they are willing to consider people in this age group and with some history of unemployment. The Gateway process which helps to prepare young people for work and the screening procedures which attempt to ensure that the employer and potential employee will be suitably matched also helped some employers to feel there may be less risk in recruiting New Deal clients than they would normally associate with young unemployed people.

However, even in these cases, employers usually said that their recruitment decisions will still depend upon the specific characteristics, qualities and skills of the applicant under consideration. The programme therefore may make them more likely to seek out suitable candidates from among the pool of New Deal clients, but the incentives of the programme alone would not encourage them to recruit someone who was not viewed as well suited to the job (or the most suitable applicant in competitive recruitment situations). They noted that the expense and difficulties inherent in employing an unsuitable person would far

outweigh the financial rewards of the programme.

*We would take the best person for the job. If they happened to be on a New Deal scheme, great. If they're not, they're not. ...We wouldn't take the subsidy over the person, 'cause the subsidy is great, fine, but we're not going to land ourselves with a potential problem for the sake of £750 because it's going to cost us a lot more than that to rectify the problem....(Private sector employer, manufacturing industry)*

Another important issue in considering the effects of the programme is whether New Deal applicants must compete with other applicants for vacancies. In this sample, there were examples of employers relying solely (or intending to do so) on New Deal applicants for their field of candidates. Others, however, recruited more widely but also advertised the vacancies with New Deal.

In recruitment circumstances where New Deal clients are competing openly against others, the programme may help New Deal clients over the initial hurdle of screening processes by encouraging employers to interview them. Indeed, some employers noted that they have a policy of guaranteeing an interview to any New Deal clients who apply as part of a positive action stance. However, in such cases they must still compete for vacancies against others who may be older and have previous work experience or who may not have a

history of unemployment. Some employers noted that they did not wish to undermine equal opportunities policies which require recruitment to be on the basis of merit in order to recruit New Deal clients, but they were willing to grant interviews to New Deal clients in the interests of positive action. Other employers appeared to be less concerned about a potential conflict between equal opportunities policies and obtaining recruits (perhaps exclusively) via New Deal.

Employers' stated desires to recruit the best candidates as well as the commitment some expressed to equal opportunities policies and recruitment on the basis of merit alone, may mean that New Deal candidates do not necessarily fare well in these situations. Where they do, there is perhaps some question as to whether they should attract the employment subsidy as they may well be able to compete on a roughly equal footing with other candidates (though, as noted above, the subsidy and the preparation and vetting do help to reduce the risks employers may associate with young and unemployed people and may have encouraged employers to advertise with New Deal in the first place).

In other cases, New Deal was simply the method some employers chose to advertise their vacancies. As they only opened the vacancies to New Deal clients (and in some cases could only

afford to recruit at all because of the programme), this would clearly indicate that the programme was influencing employment decisions and tipping the balance towards young and unemployed people.

*Well [the subsidy] is very attractive to us as a small company, publicly funded. We have to be very careful with expenditure... the first line that's always looked at by government is your salary costs...So it would make the difference between being able to employ...and not being able to employ...(Publicly funded employer)*

However, in some instances, the programme appears to have shifted employers towards 18-24 year old people and away from people of other ages simply because of the package of subsidies, screening and preparation. For example, some employers noted that New Deal had encouraged them to take someone of this age rather than someone younger who would also need training because of the incentive package attached to New Deal clients.

Another way in which New Deal may help to 'tip the balance' is in relation to employers motivated to participate by a desire to help the community through positive social action or to set a good example to others. In some cases, New Deal clients were taken on specifically to provide what were viewed as good training and development opportunities. This sometimes meant that employers were willing to drop their usual competitive recruitment standards for

New Deal applicants. They did this because the placements were offered more as gesture to show good will than out of commercial considerations.

In some cases, employers' participation in New Deal did not appear to represent a change in their normal recruitment practices. This included where employers tended to recruit young unemployed people anyway prior to the existence of the programme and were simply taking advantage of subsidies which were now easily available to them.

*I think it was because they were young people and that they were unemployed...that I thought they were the kind of people we'd normally take on anyway, so why not go down that route? That was probably I would think the main reason we did it. (Private sector employer, service industry)*

Additionally, some employers reported normally advertising their vacancies with the Jobcentre but having had little response in the past. They were now advertising the same vacancies with New Deal (as well as perhaps more widely) and were simply hoping to have a better response via New Deal than they previously had with the Jobcentre. They had not changed their recruitment practices or preferences, but were simply hoping for a more successful matching of unemployed young people to vacancies. There was also one case, described earlier, in which an employer

discovered that a recruit he was going to appoint anyway was eligible for New Deal. He then made the decision to participate in New Deal after a suitable young person was identified. The programme could not have been said to have influenced recruitment decisions in such circumstances.

Lastly, some employers felt that their current recruitment practices were largely satisfactory and could not see how New Deal could offer them more. They had no desire to participate for social reasons (especially as there was still scepticism about the programme among some employers) and did not wish to change their current employment and training practices to participate in the programme. For them, the subsidies and other attractions of the programme provided neither sufficient risk reduction nor enough incentive to change their current practices.

*No we're not considering that [New Deal] at all now...Unless they change this 25 day training criteria we won't sign up to it because we just don't have to really..It doesn't suit us and...we don't fit into what they want. But we're not going to change how we are so quite frankly...we're no good to them...(Private sector employer, service industry)*

In addition to changes in recruitment decisions and practices, it is also important to note that New Deal has in some cases made employers more willing to offer training to their staff.

This appears to be another area where there may be a positive spin-off of the programme, particularly as some employers noted that they may now

offer accredited training not only to New Deal recruits, but to other staff as well.

#### **Chart 4.3 How New Deal may 'tip the balance' towards young unemployed people**

- ***Improved access*** to young unemployed people may lead to increased recruitment:
  - ◆ may recruit more young unemployed people than usual because of increased access to a pool of such people via New Deal or better matching of young people to jobs
- ***Increased attractiveness/ lower risk*** of New Deal clients compared to other young unemployed people because of:
  - ◆ more effective screening and matching of New Deal clients to jobs
  - ◆ more 'work preparation' as part of the Gateway
  - ◆ more support for employer and employee from the Personal Advisor
- ***Increased attractiveness of New Deal clients compared to other, usual recruits (e.g. people aged 16-18) because of:***
  - ◆ wage subsidy (making older employees less costly)
- ***Increased job interview opportunities*** for New Deal clients:
  - ◆ guaranteed job interviews to New Deal clients (though recruitment may still involve competition with non New Deal clients)
- ***Decreased competition*** for jobs for New Deal clients:
  - vacancies advertised only with New Deal
  - lowered recruitment standards (taking into account perceived social disadvantage of New Deal clients)

#### **4.5 Assessments of whether participation in New Deal is worthwhile**

At this early stage, employers generally were not in a position to say whether it is worthwhile to participate in New Deal. However those who had New Deal employees tended to say that participation was worthwhile, either from the perspective of their own firm or from a social perspective in terms of helping unemployed young people into work. However, even for employers with New Deal recruits, this was still early days in their experiences with the programme and it was difficult to judge

how worthwhile it was especially given the long term nature of some of their motivations for participation (e.g., reducing the average age of the workforce and creating a career path in the organisation for young people; replacing temporary staff with New Deal recruits who will lend greater stability and efficiency to the firm if they stay, etc.).

Typically, employers said that participation will have been worthwhile if some key conditions and goals are met. These are outlined below in **Chart 4.4**.

#### **Chart 4.4 Employers' perspectives of the conditions and goals which must be satisfied to make participation in New Deal worthwhile**

##### *Participation will be worthwhile if...*

##### **Goals:**

- Young people are helped via real opportunities for work and training
- Employers are able to get 'good quality' recruits via New Deal (i.e., people who do not have to be 'carried', 'suitable' recruits)
- It helps employers to meet their company specific goals in participation, e.g.,
  - ◆ helping a new firm to be established through less expensive recruitment and training;
  - ◆ helping to develop a better in-house skills base by training young people
  - ◆ increasing organisational effectiveness by replacing temporary staff with permanent staff or recruiting new members of staff more affordably
  - ◆ balancing the age profile of the workforce by bringing in younger recruits and creating a career path through the organisation

##### **Conditions:**

##### *Participation will be worthwhile if ...*

- Not too much staff time is spent on meetings to set up and administer participation in New Deal/ administration does not become 'a hassle'
- There are no hidden financial 'extras' and participation does not become 'costly' to the firm
- Time has not been wasted in trying to arrange participation for nothing (i.e., if the company is never sent New Deal recruits or suitable recruits cannot be identified)
- Existing training provision can be suitably modified, but does not require major alterations

There were also a minority of non-participating employers who did not think that participation in the programme would be worthwhile at all. They tended to be cynical about New Deal's ability to make a positive impact on the employability of young people. The training attached to New Deal was not thought sufficient to really address problems stemming from a poor educational background or was not viewed as appropriate for addressing skills shortages in key areas of relevance to the company. Additionally, these employers tended to express scepticism about other employers' motivations for participation and were concerned that New Deal recruits might be used as 'cheap labour' or churned through organisations by employers who were simply after the subsidies.

## **Chapter 5. Looking to the Future**

This chapter explores the views of employers in this study about future participation in New Deal, both from the perspectives of those with some experience of New Deal and those who are not yet participating. It then goes on to consider their suggestions as to how the programme could be marketed to maximise its appeal and any features of the programme which they feel could be made more attractive to employers. Lastly, it considers factors influencing participation in the recently introduced New Deal for Long Term Unemployed People aged 25 plus.

### **5.1 Expectations of future participation in New Deal for Young People**

As noted in Chapter 4, the small sample of employers in this study who had experience of recruiting New Deal employees tended to be very satisfied with their experiences both in relation to the programme itself and their new employee. There were exceptions to this, as described in Chapter 4, but negative experiences did not necessarily imply that employers would not be willing to give New Deal another try. Indeed, employers who had some negative experience, either with interviewing New Deal candidates or employing young people via the

programme, were still willing to participate. This was partly because they tended to attribute their negative experiences to difficulties linked to individuals rather than to the programme as a whole and also because negative experiences had generally been well followed up by ES staff. This helped employers to see that lessons were being learned from their difficulties and that they were not being left to deal on their own with potentially problematic recruits. Additionally, at this early stage, difficulties were commonly described as ‘teething problems’ and employers understood that this was to be expected in the early stages of any new initiative. They simply hoped these early difficulties would be rectified as the programme develops.

Those with positive initial experiences of the programme tended to be very favourably inclined towards recruiting via New Deal again.

*...We would certainly look at other people from this New Deal...yes, absolutely, yes. I mean it could just be that we struck lucky with [name of New Deal recruit], but if people are better in the same way he has been, and you know [have] been recommended, we would certainly listen to them. (Private sector employer, furniture industry)*

Employers who were not participating in New Deal (i.e., who had *not* signed an employer agreement signalling their

intention to participate) had various reasons for non-participation, as discussed in Chapter 3. Depending upon the nature of their reasons for non-participation, some were quite open to the possibility of participating in future. Circumstances in which employers said that they may be willing to participate in the programme included when:

- they simply required a 'harder sell' (i.e., they felt unconvinced by what they had read about the programme, but had had no further contact; they had not been able to attend the local launch and had not taken the time to pursue the programme further; they have not been able to get satisfactory answers to their questions about the programme); or

*...If it comes to the point where I get lots through the post again or somebody phones me up and says 'look you haven't participated in New Deal, and look we've got quite a few people on the books at the moment who are desperate', I know that within time I'll give it a go....(Private sector employer, service industry)*

- business circumstances do not currently permit or necessitate any recruitment but may change.

*...Our business environment, you know, would have to change...What would have to change is...a greater recognition that...it is not all about cost-cutting and downsizing, it is about developing a skill volume...If [we] take on trainees and [this] has...costs, that...[must be] constructively*

*considered in our appraisal...and in the appraisal of [our] funding...(Employer, voluntary sector organisation)*

The first situation demonstrates the importance of ongoing marketing efforts to attract employers to the programme initially and then clarify how this programme differs from previous programmes, how it can work for them, and what they will need to do to actively participate. The latter situation indicates a need to keep raising awareness of New Deal and encouraging employers to re-consider the programme when they are next in a position to recruit.

Some employers could not see how the programme could be beneficial to them and indeed, felt that it might require extra work on their part and offer little in return. They tended to have difficulties with the training requirement which was seen either as inadequate given the skill needs of their organisation or unnecessary given their satisfaction with current training arrangements. This was sometimes compounded by other aspects of their normal working practices which did not dovetail well with New Deal and led them to the conclusion that they will not participate in New Deal for Young People, either now or in future.

Finally, there was a group of employers who have signed an employer agreement but have not yet seen any

perceptible action in terms of New Deal applicants. Some were more patient about this than others, but as noted earlier, employers generally wanted some regular update on what is happening with the programme. Indeed, some indicated that their future participation in New Deal may be threatened by the perceived lack of action and follow-up so far.

## **5.2 Employers' suggestions about the marketing of New Deal**

Chapter 2 provided an overview of employers' responses to the current marketing of New Deal. This section highlights employers' suggestions about how the programme could be marketed more effectively in future. There are three key areas in which possible changes were suggested. These included:

- the marketing approach;
- the content of the marketing; and
- the follow up to initial marketing efforts.

### **5.2.1 Suggestions about the marketing approach**

A common suggestion relating to the approach to marketing stemmed from the perception that the current marketing is more about presenting information than actively selling New Deal to employers. They felt that the programme should be sold more

actively and suggested possible ways in which this could be done.

*I think they were really more or less saying, 'Here's the New Deal, here it is, would you like to participate?'...It wasn't sold, there wasn't a heavy sell to it at all...I think it should be promoted a bit. I think that it needed to be sold. (Public sector employer)*

There are a number of features of New Deal which employers tended to regard as 'selling points'. They felt that these should be emphasised more strongly in publicity and presentations about the programme. Specific selling points identified by employers included:

- the **streamlined administrative procedures** and comparative user-friendliness of the programme
- the **Gateway** which helps to prepare young people for work and which helps to ensure 'work readiness' among New Deal clients; and
- the **vetting, screening and matching of candidates** to jobs and employers which helps to ensure a 'good fit' and decreases the amount of time employers 'waste' in seeing unsuitable job applicants.

Another popular suggestion was to use 'success stories' in the marketing of the programme to provide further reassurances to employers that it has worked for others and that it will be a good risk for them as well. There were

various suggestions as to how success stories could be presented including interviews with New Deal employers and employees on local radio stations, presentations at which currently participating employers are invited to speak to prospective participants and answer questions, and features in newsletters about other employers that are participating in the programme.

*...I suppose it would be good to know a... real success story. Somebody saying, 'It has worked in my company, it's worked in my store'. So if another Personnel Manager said, 'I've got to have a New Deal in,' and they were fantastic and they were just right, and we should all be getting New Deal in, that would encourage me to do it... (Private sector employer, retail industry)*

A less common suggestion was that the marketing efforts should be slightly different for larger and smaller employers. After attending a local launch, one employer noted that employers of different sizes appeared to have very different questions and concerns about participation in New Deal. He suggested having different marketing events to which larger and smaller employers are invited and can ask questions of particular relevance to other employers in similar circumstances.

Another point raised in connection with this was that presentations should always leave sufficient time for dealing

with employers' questions. This was a recurrent issue which some employers raised after having attended a launch event at which they felt that their own or other employers' questions had not been fully addressed.

*They felt that they had to finish at 9:30 am and I suspect that the numbers that they had to deal with, and the restricted time that they...had available meant that not everyone had a chance to pursue their questions. (Public sector employer)*

### **5.2.2 The content of the marketing**

Employers sometimes felt that the current marketing activities were not clear enough and did not provide enough specific information to help employers decide whether participation is appropriate or feasible for them. Examples of the types of information which employers felt should be more clearly presented included:

- how much time participation will take (i.e., to set up participation, to arrange training, to meet with New Deal Personal Advisors, and to deal with the administration of the programme); and
- what it will actually mean to an employer to participate (i.e., Will the employee necessarily have to be trained off-site? Can help be given in arranging training where accredited in-house training systems do not exist? What types of training are acceptable and what is not

acceptable? What sort of vetting will be carried out to ensure that employers' arrangements are adequate? Will the employer have to deal separately with different parties involved in delivering New Deal in their area?).

Some employers also felt uncertain about the overall objectives of New Deal and felt this should feature more prominently in the marketing of the programme. Specifically, there were questions about whether New Deal is more about creating employment or providing training opportunities for young people. Additionally, some felt that New Deal should be marketed more as the beginning of a process of long term and ongoing development of young people in the workplace. In keeping with this, some employers in this study suggested that the benefits of participating in New Deal from a human resources standpoint should be emphasised more strongly and that the financial incentives of the programme should not be featured as the key selling point.

### ***5.2.3 Follow-up to the initial marketing***

Employers had a range of suggestions as to how the initial marketing efforts such as the advertisements and local area launches should be followed up. There were two key reasons given as to why there should be follow up: (1) to keep employers actively interested in

participation after having signed an employer agreement; and (2) to entice employers who are undecided or only minimally aware of New Deal to look into it further.

Specific suggestions for how follow up could be provided included:

- keeping employers updated on developments and progress of New Deal in the area by-  
***providing newsletters*** on the local situation (including details of how many young people are expected to take part in the employment option, how many local employers have signed an agreement to participate and how many have actually recruited New Deal employees);  
***inviting employers to feedback sessions*** similar to the initial launch events where employers are updated and encouraged to ask questions; and  
***providing individual feedback to employers*** about when they can expect to be sent New Deal clients to interview.
- personally visiting employers who have signed an employer agreement to discuss their particular recruitment needs and to clarify the training which would be required and how it can be delivered;
- making it easier to communicate with and get information from the providers of New Deal by-

*setting up local New Deal helplines* to provide information quickly and easily;  
*centralising information about New Deal* in one location (preferably with the Jobcentre) so that employers do not have to contact or be contacted by several different partners involved in the delivery of New Deal and so that one agent has a grasp of the overall local picture; and  
*encouraging more prompt responses* from local ES staff or partners to employers who contact them with queries about New Deal.

Another suggestion for how the initial marketing of the programme could be followed up was to put employers in contact with others who have used the programme. This is similar to the suggestion about selling the programme by advertising its successes, but was more focused on providing a source of ‘inside information’ about the specific experience of participation and any lessons learned from it.

Lastly, one employer also suggested that part of the follow up to the initial marketing events should involve systematic evaluation of employers’ responses after 6 months and that this information should be used to refine and develop the programme further<sup>9</sup>.

### **5.3 Employers’ suggestions for improving New Deal**

Employers suggested a range of possible improvements for New Deal, both in relation to the specific features of the programme and with regard to the process of participation. Many of these have been discussed elsewhere in the report and will therefore be presented here only in overview. **Chart 5.1** summarises the key issues raised.

### **5.4 Views about participation in New Deal for Long Term Unemployed People (aged 25 plus)**

At the end of the interview, employers were asked about their views of participating in the recently introduced New Deal for Long Term Unemployed People (aged 25 plus). In most cases, the programme had to be explained as there appeared to be little awareness of it (though this was not explored systematically). The programme differs from New Deal for Young Unemployed

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<sup>9</sup> As noted in Chapter 1, this type of ongoing evaluation has been planned.

## Chart 5.1 Employers' suggested Improvements to New Deal for Young Unemployed People

### ***Training:***

- extend the training subsidy for longer than 6 months
  - ◊ 6 months is not long enough to develop more than basic skills
  - ◊ training period is too short to seriously address skills shortages
- training organisations involved in New Deal should be highly regarded so that employers have confidence in the training New Deal recruits will receive
- involve TECs in helping to arrange training for employers who do not already have adequate in-house training systems
- discuss alternatives with employers to providing off-site training
- engage employers and ND recruits in discussions about what type of training would be most relevant and desirable and help to arrange it
- consider other alternatives to NVQs which may be too much for some recruits/ not relevant to some jobs

### ***Age range:***

- extend the age range to 16 so that training can begin earlier and a training wage rather than full wages can be paid during training

### ***Information:***

- clarify how New Deal relates to other training grants available and eligibility criteria for each
- provide employers with information about prospective New Deal applicants to help assess their suitability before interviews (to avoid wasting employers' time and undermining clients' confidence)
- make sure that Jobcentres have an overview of the local situation and can answer employers' queries efficiently

### ***New Deal District boundaries:***

- consider allowing recruitment across New Deal District boundaries (i.e., when a suitable recruit is identified in another district to the employer)

### ***Communication with employers:***

- provide updates to employers who have signed employer agreements and provide updates
- let employers know when (or if) they can expect to be sent New Deal applicants
- return employers' phone calls and provide feedback/ answer queries efficiently

People in three key ways: (1) the wage subsidy is up to £75 per week rather than the £60 per week available with New Deal for Young Unemployed People; (2) there is no training element

associated with New Deal for Long Term Unemployed People, and; (3) to be eligible for New Deal for Long Term Unemployed People, clients have to have been unemployed and claiming

benefit for 2 years or more, as contrasted to the 6 month unemployment threshold with New Deal for Young Unemployed People.

In comparing New Deal for Young Unemployed People with New Deal for Long Term Unemployed People, employers tended to identify three main trade-offs. Interestingly, the difference in the subsidy level did not appear to be a major factor taken into account in their assessments of the programmes. Instead, employers tended to focus on:

- the *training requirements* and subsidies;
- the *duration of unemployment* of each of the New Deal client groups; and
- the *ages* of the two client groups.

#### *Training requirements and subsidies*

As discussed in Chapter 3, the training requirement was sometimes quite difficult for employers to accommodate in New Deal for Young Unemployed People as they did not necessarily have training systems already in place and some viewed it as having to forego a day of the employee's productive work time per week in training. The fact that this requirement is not included in New Deal for Long Term Unemployed People was therefore welcomed by some.

#### *Duration of unemployment*

Employers generally tended to find the 6 month minimum unemployment

duration of New Deal for Young Unemployed People more acceptable than the 2 year minimum stipulated in the programme for long term unemployed people. There are a variety of reasons why employers considered longer term unemployment to be more difficult to accommodate (which are outlined in **Chart 5.2**).

#### *Age of client groups*

For some employers, the ability to recruit older people was viewed as preferable to the 18-24 age group and this helped to off-set some of the potential disadvantages associated with recruiting people with a longer history of unemployment. The advantages and disadvantages which employers associated with recruiting young people and unemployed people are outlined in Appendix 1 (see **Chart A1.1** and **Chart A1.6**, respectively).

As with New Deal for Young Unemployed People, employers emphasised that whether they participate in the programme and actually recruit an older New Deal client will depend on two fundamental issues:

- business circumstances and whether they are in a position to recruit when they are approached about or become otherwise aware of the programme; and
- the specific qualities of the recruit in question (as these will be considered

carefully, particularly in the light of long term unemployment).

Some employers also mentioned that their degree of success they have had with New Deal for Young Unemployed People will also be a factor they take into consideration in deciding whether to participate in further New Deal programmes. Of particular importance is whether they feel that those responsible for delivering New Deal are responsive and supportive of employers (there have been varying views of this, as has been noted elsewhere).

Lastly, some employers felt that they probably will not take part simply because their business requirements are for young trainees and New Deal for Young Unemployed People is therefore better suited to their needs.

Employers' key considerations in decisions about participation in New Deal for Long Term Unemployed People aged 25 plus are presented in **Chart 5.2**.

**Chart 5.2 Considerations in decisions about participation in  
New Deal for Long Term Unemployed People (aged 25 plus)**

***Training Requirements:***  
*No training requirement/ subsidy in  
New Deal for 25 & over...*

- saves productive time of recruit/  
no need to remove from workplace
- saves time/ effort/ expense of  
setting up training

*But...*

- no subsidy available if training is  
desirable/ required

***Age Related Factors:***  
*Older people...*

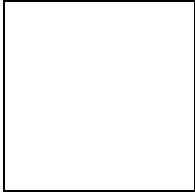
- are more stable
- have more common sense
- are more mature/ reliable
- have more 'valid' reasons for  
unemployment
- may have work experience/  
skills

*Younger people...*

- are more receptive to training
- can be paid less

***Duration of Unemployment:***

- cannot check references/  
background fully if 2 years +  
unemployed
- takes longer to get 'back on  
track' after long term  
unemployment
- need to have 'valid' reasons for  
being unemployed long term  
(and/or have done other  
'worthwhile' activities)
- longer unemployment may imply  
lack of professional attitudes/  
motivation to work



## **Appendix 1: Employers' Perspectives on Recruitment and Training**

This appendix provides contextual information and insights into perspectives on recruitment among employers in this study, particularly with regard to young and unemployed people. The analysis which follows helps to aid understanding of these employers' responses to New Deal by setting them within the wider context of their recruitment priorities and practices. It considers both their current policies and practices and their overall views about recruiting young people who have been unemployed. Lastly, it focuses on their approaches to training and where this features in their current employment practices.

### **A1.1 Recruitment Policies and Practices**

#### ***A1.1.1 Formal policies on the recruitment of young people***

Employers in the study varied in the extent to which they tended to recruit younger people within the New Deal age range of 18-24. In terms of formal policy, there were two basic stances among these employers. The first was to point out that under their equal opportunities policies, age should not be an issue which is taken into consideration in recruitment. However, equal opportunities suggest that people should be considered on merit, and there

were clearly some jobs which employers identified as more suitable for young people, given their likely levels of work experience. The nature of these posts and the reasons why they are considered more or less suitable for young people are explored in greater detail below. Their views on the advantages and disadvantages of recruiting young people also suggest that while in theory all applicants are considered on the grounds of merit alone, in practice employers make a number of assumptions about young people which may mean that in some circumstances, they are less inclined to view applications from younger people favourably.

The other formal stance on the recruitment of young people involved the creation of a demarcation between people within the 18- 24 age range. In these cases, the policy was not to recruit anyone under the age of 20 or 21. The justifications for this were that people under 21 could not obtain a license to do the work (e.g., PCV license) or they would not be covered under the company's insurance policy. In one case, the employer noted that the company's clients also insist on this as the lower age limit. Other employers tended to adhere to this rule in practice because of their assumptions about people under the age of 20 or 21, but

had not formalised this into an overt policy.

### ***A1.1.2 Informal policies on the recruitment of young people***

More commonly, employers said that they have no explicit policies of direct relevance to the recruitment of young people. Instead, they tend to rely on a range of beliefs about the benefits or drawbacks of recruiting young people which guide their recruitment decisions in practice. A few recurrent themes emerged about why younger people as a group are viewed as more or less desirable additions to the workforce, which are outlined below.

Perceived *positive contributions* of young people to the workforce included:

- the part they play in helping to maintain a balanced age profile within the workforce (a mixture of employees of different ages, skills and work experience is believed to be beneficial to the organisation);
- their receptiveness to training and learning new skills;
- their perceived flexibility in relation to working patterns;
- their cost (they can be paid less than older people).

*Less favourable issues* noted in connection with the recruitment of young people were that:

- younger people are perceived to have less ‘life experience’ and are believed to be immature and less reliable employees than older people;
- younger people may not be able to ‘handle’ particular types of jobs and are therefore viewed as less suitable for some types of work; and
- younger people may ultimately be more expensive in terms of training and staff time in extra supervision, mentoring than fully qualified recruits.

**Chart A1.1** provides an overview of some of the key considerations influencing employers’ stances on the recruitment of young people.

Counter-balancing the argument that younger people may cost more in terms of training and supervision, some employers emphasised that it is generally important (to society as well as to businesses) to provide developmental opportunities for young people in the workplace. Similarly it was viewed as important to provide work opportunities for people who may be ‘disadvantaged’ and this includes some young people (i.e., reflecting a positive action stance).

**Chart A1.1 Factors influencing the recruitment of young people**

Reasons <i>for</i> recruiting young people	Reasons <i>against</i> recruiting young people
<p><b><i>Unfilled vacancies/ ongoing recruitment:</i></b></p> <ul style="list-style-type: none"> <li>• young people can provide ‘an extra pair of hands’ where needed (for jobs where age and possibly skills are not an issue)</li> </ul> <p><b><i>Younger people have particular qualities which are desirable.</i></b> They are perceived to be:</p> <ul style="list-style-type: none"> <li>• more easily adapted to organisational cultures than older people;</li> <li>• better suited to flexible approaches to working (i.e., multi-skilled environments);</li> <li>• more amenable to training</li> <li>• energetic and give organisations a ‘young image’</li> </ul> <p><b><i>Younger people are important to organisational sustainability:</i></b> They...</p> <ul style="list-style-type: none"> <li>• form part of a good mixture of employees of different ages and abilities which makes for a more stable workplace;</li> <li>• form part of a strategy for maintaining necessary skills within the workplace by learning the skills of older workers; and</li> <li>• fill jobs which are important but are not suitable for older, more experienced employees</li> </ul>	<p><b><i>Tend not to have jobs which are deemed ‘suitable’ for younger people</i></b></p> <ul style="list-style-type: none"> <li>• jobs suitable for young people have been ‘contracted out’</li> <li>• people with degrees/ specialist qualifications are required (perhaps available only at the upper end of the New Deal age range)</li> <li>• for insurance/ licensing reasons, people under 21 are not suitable recruits</li> </ul> <p><b><i>Younger people have particular qualities which are undesirable.</i></b> They are perceived to be:</p> <ul style="list-style-type: none"> <li>• less reliable about attendance at work than older people;</li> <li>• less interested in and committed to their work than older people;</li> <li>• more prone to leave the job than older people</li> <li>• less ‘mature’ than older people</li> <li>• may have personal difficulties which are reflected in their work</li> </ul> <p><b><i>Younger people are believed to require more resources from the organisation</i></b> in terms of:</p> <ul style="list-style-type: none"> <li>• supervision to ensure they are ‘getting on with their work’</li> <li>• organising and providing suitable training</li> </ul>

### ***A1.1.3 A ‘Suitable Job’***

Employers were asked to say which jobs within their own organisations would be more or less suitable for young people and what made them so. The types of jobs which were deemed more suitable were those which make best use of the particular attributes of young people in terms of their skills, qualities and (anticipated) life circumstances, or to which age (especially at the younger end of the spectrum) was thought to be irrelevant. A few general categories emerged from the variety of ‘suitable’ jobs mentioned, including:

- **traineeships** (either formally or jobs which are undertaken as part of training);
- **entry level posts** with opportunities for career progression;
- **graduate posts** (especially jobs for recent graduates such as lower level professional posts, management traineeships, etc.);

- **posts requiring physical skills** such as dexterity, co-ordination, stamina, etc.; and
- **posts which are low paid or involve shift work** (e.g., both are thought to be suitable because young people are not expected to have family commitments and can therefore more easily accommodate these difficult circumstances).

In practice, there may be considerable overlap between these categories in any individual job. For example, a job as a process worker in a factory is likely to be an entry level post requiring physical skills and possibly also shift working. As it is an entry level position, it is likely to be low paid, but may offer opportunities for career progression within the organisation. **Chart A1.2** below lists a variety of jobs which employers mentioned as particularly suitable for young people in their organisations.

### **Chart A1.2 Jobs perceived as ‘suitable’ for young people young people**

#### ***Training posts:***

- Apprenticeships (e.g., fitters, electricians, etc.)
- Traineeships (including ‘office juniors’)
- Student nurses

#### ***Recent graduate posts*** (e.g., surveyors, technicians, etc.)

#### ***Unskilled jobs:***

- support workers in nursing/ residential homes
- domestic staff
- building labourers
- process line workers in factories
- retail shop staff/ cashiers, shelf fillers, etc

Employers also indicated a range of jobs which they viewed as less suitable for young people. These tended to be:

- **posts requiring higher level skills** derived from work experience and/or qualifications which new entrants to the labour market are not expected to possess;
- **posts requiring skills derived from ‘life experience’** (e.g., maturity, discretion, ability to work under pressure, ability to cope with unpleasant working conditions,

social skills in dealing with client groups);

- **posts with a lower age limit** associated with insurance or licensing regulations;
- **posts requiring ‘physical presence’** and/ or a sense of authority.

**Chart A1.3** illustrates these points with a list of the types of jobs which employers mentioned as less suitable for young people in their organisations.

### **Chart A1.3 Jobs perceived as less ‘suitable’ for young people**

***Jobs requiring previous work experience/ qualifications:***

- managerial/ supervisory posts
- specialist posts in the voluntary sector

***Posts requiring skills derived from life experience:***

- residential/ nursing home ‘carer’
- staff in sheltered accommodation for young people with special needs
- ‘high risk’ work in high security environments/ handling ‘sensitive information’
- posts dealing with the public in emergency situations

***Jobs where lower age limits apply:***

- passenger bus driver
- security guard

***Posts requiring physical presence/ authority:***

- security guard/ ‘door person’
- traffic wardens

#### ***A1.1.4 Qualities sought in young people***

Employers also described a range of criteria they tend to look for in young job applicants. While for some types of jobs or training schemes, they sought young people with particular skills, work experience or qualifications, employers also tended to have a more

general list of factors which they used in screening young people across the board. Their screening priorities closely reflect the types of advantages and disadvantages they associate with young people. **Chart A1.4** provides an overview of some of the screening criteria used by employers in vetting young people for employment.

#### **Chart A1.4 Common criteria used for screening young job applicants**

##### ***Approach to work:***

- ‘hardworking’
- ‘good timekeeping’
- flexibility over working patterns (i.e., willingness to accept multi-skilling, shift-work, etc.)
- commitment to work/ possessing strong ‘work ethic’
- actively pursuing job opportunities/ motivated

##### ***Approach to training:***

- ambitious/ seeking career progression
- receptive to training/ willing to learning from others
- have responded well in the past to training/ education

##### ***Personal characteristics/ qualities:***

- ‘reasonably intelligent’/ some ‘academic knowledge’
- ‘stable’ personal circumstances
- ‘reasonably mature’
- demonstrating initiative in non-working life (e.g., travel, voluntary work)

##### ***Skills:***

- basic literacy and numeracy
- social skills/ ability to get on with other colleagues/ clients
- other job-specific skills

## **A1.2 Views and experiences of recruiting young and unemployed people**

As New Deal for Young Unemployed People involves encouraging employers to recruit not only young people, but young people who have had some history of unemployment, this section considers employers' views and experiences of recruiting people in these circumstances.

### ***A1.2.1 Views and experiences of recruiting young people***

From the previous section on employers' practices and policies on the recruitment of young people generally, 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 difficult circumstances, commitment to work, etc.). That is, young people *as a group* are generally considered to possess certain qualities and characteristics, except where proven otherwise in individual cases. Employers' assumptions about younger people underlie their responses to them in recruitment situations and influence the types of criteria they are looking for in young people. Significantly, the same assumptions do not necessarily apply across the New Deal age range. People who are over 20 or 21 years of age tended to be viewed by some employers as quite different to people aged 18-20. After age 20 or 21, employers sometimes believed that young people want to 'settle down' and start to become more committed to

work and to career development. They therefore become a more appealing recruitment prospect to some employers. Additionally, after this age, restrictions on licensing and insurance may no longer apply.

Beliefs about young people of different ages appear to stem in part from employers' previous experiences. Some of the employers participating in this study also had experience of young people from participation in other government or TEC/LEC schemes for the training and employment of young people such as Youth Training, Skills Seekers, Modern Apprenticeships, etc. It is difficult to generalise from these experiences, as there were a range of both positive and negative accounts given. It is important to note, however, that some employers acknowledged that young people's behaviour in the workplace could in part be attributed to aspects of the working environment, suggesting that both employers and young people have a part to play in ensuring that work relationships run smoothly and that good working habits develop early on.

In some cases, employers' past experiences with young people made them think carefully about the relative costs and benefits of recruiting young people in their own organisational context. This sometimes involved consideration of a number of conflicting goals and values which made decisions about recruitment of young people quite complex. On the one hand, the types of

disadvantages associated with employing young people listed in Chart A1.1 may mean that not only do they create problems in relation to a particular job, but this may in turn have wider repercussions within the organisation. For example, employers described other staff having to do more work, loss of morale among existing staff as extra time and resources are devoted to dealing with the young person and disruption to the work of other staff. In theory, these are the types of problems that arise whenever recruitment has gone awry, regardless of the age of the recruit concerned. However, some employers felt that younger people as a group generally tend to have a higher propensity to be problematic employees than people of other ages, simply because they may not be at a life stage where work is taken very seriously and approached responsibly.

On the other hand, some employers also valued the ‘new ideas’ and ‘energy’ that young people may bring to organisations and the crucial part they play in maintaining a balanced workforce with a good mixture of people of different ages, levels of experience and skills. Less commonly, some also emphasised the importance of being good corporate citizens and giving something back to the local community and society generally by putting the extra resources and effort required into providing training and employment opportunities for young people. Additionally, young people

represent the future of businesses and some felt that they must be given appropriate opportunities to work, regardless of their potentially problematic nature. In some circumstances, this meant that employers were willing to recruit and train young people, but wanted to minimise the risks associated with this by making use of subsidised training schemes, requiring careful vetting of young people, and going direct to schools to recruit thereby avoiding young people who may have had less successful educational experiences or spells of unemployment.

#### ***A1.2.2 Typology of approaches to the recruitment of young people***

In seeking to understand why employers had different responses to the recruitment of young people, five factors appeared to be particularly important in differentiating employers’ approaches and priorities. These are:

- the availability of jobs viewed as ‘suitable’ for young people;
- the degree to which young people are thought to possess specific desirable qualities which older people may not possess (this appears to be influenced to some extent by previous experiences of employing young people);
- the degree to which younger people are viewed as essential to ensuring organisational sustainability and stability;

- the resources available for meeting the particular needs of young people (i.e., for training, etc.) and the degree to which these extra costs are perceived as onerous; and
- the desire to make a positive social commitment to helping young people and the local community.

It is possible to use these factors to ‘map’ employers’ general responses to the recruitment of young people and in doing so, a number of quite distinct stances emerge. It is important to note, however, that these reflect the overall place and priority of young people within the organisation, but this may vary according to the nature of specific jobs. For example, a large supermarket chain tends to recruit young people primarily as shop assistants doing a range of unskilled jobs. They also have a policy of management traineeships offered primarily to recent graduates which applies only to a small minority of their young employees. Different approaches and priorities to the recruitment of young people apply in each of these cases, but the overall approach relates to the policies and practices which apply to their usual stance on the recruitment of young people and where the majority of their recruitment is concentrated.

In mapping the approaches of employers in this sample, five different recruitment models emerge, reflecting different priorities and practices in the employment of young people. These are:

- positive social commitment
- strategic sustainability
- nurturing skills
- general acceptance/ ‘a pair of hands’; and
- limited opportunities/ lack of suitability.

#### ***Positive social commitment***

Employers in this category tend to emphasise the importance of recruiting and training young people as part of a wider social commitment. Recruitment of young people is seen either as an essential part of the organisation’s role in the community or alternatively, is viewed as consistent with their desire to be a ‘socially responsible’ employer. The priority is less on whether young people can help the organisation than on whether the organisation can help young people and the wider community or society generally. This model tended to be adopted either by local authorities which viewed themselves as having a strategic role to play in helping the local community or by larger private sector employers with resources to devote to training and a desire to be seen as socially responsible.

#### ***Strategic sustainability***

In this model of recruitment, the emphasis is on a perceived requirement to have a balanced workforce, with people of different ages represented. Employers in this category tended to provide young people with organisationally relevant skills and qualifications in the hope that they will stay with the organisation in the long

term. Career progression is emphasised as is secure employment. In some cases, there is also a desire to nurture young employees who will adopt the organisational philosophy and culture and thereby lend greater stability to the company in the longer term. In this model, a positive commitment is made to training young people and they are perceived as valuable assets to the organisation. Because of the emphasis placed on long term employment prospects and young people as an investment in the future, they tend to vet young recruits quite carefully on a range of criteria.

#### ***Nurturing skills***

In this model, employers viewed young people as useful for ensuring that skills are retained within the workforce. In some cases, young people are part of a strategy for dealing with skills shortages in relevant job categories. Young people entering these organisations tend to be apprentices or receive specialist training with a view to filling the company's ongoing needs in these skill areas. Some employers in this category make use of schemes like Modern Apprenticeships in their recruitment of young people.

#### ***General acceptance***

This model is used by employers which recruit regularly for unskilled posts. Age is not considered a factor of relevance to these employers and young people, like other types of recruits, are viewed as 'a pair of hands'. Vetting of recruits for these posts is based

primarily on work motivation and perhaps personal presentation and/ or social skills depending on the nature of the job. Particular vocational skills or aptitudes are not generally sought and these employers seemed very tolerant of and willing to accommodate a range of different personal circumstances and employment histories.

#### ***Limited opportunities/ lack of suitability***

Employers in this group tend to have limited employment opportunities for young people. This may be either because they feel that young people are largely unsuitable for their employment vacancies or because they employ very few people and seldom have vacancies. Those that believe young people are unsuitable for their vacancies tend to vet candidates very carefully and young people generally do not meet their screening criteria. Those with few employment opportunities are not necessarily reluctant to recruit young people, but have few vacancies and limited resources to devote to their training needs.

**Chart A1.5** provides an overview of these models and gives examples of the types of employers in each category.

#### ***A1.2.3 Views of recruiting unemployed people***

Similar to the situation with young people, some employers also appear to have a number of reservations about employing people with a history of

unemployment. This reinforces findings from other studies with employers about the recruitment of unemployed people<sup>10</sup>. However, there were different stances taken by employers on whether an applicant's history of unemployment would matter in their recruitment decisions. These differences related to the nature of the work itself, features of the individual applicant and their work and personal history as well as to consideration of how the unemployed person compares to the wider field of applicants. The overall volume of applications received also has an impact as employers sometimes were willing to drop their recruitment standards in order to ensure that posts are filled.

In addition to the regular factors which employers consider in trying to match applicants to the job and the organisation, there are a number of other factors which may be considered in relation to unemployed people. These factors influence perceptions of whether the unemployed person is 'a good risk'. They include:

- the length of unemployment
- the reasons for unemployment
- the work history of the applicant
- activities while unemployed
- the personal qualities and characteristics of the applicant

- the personal background of the applicant and ability to obtain references.

An overview of the key advantages and disadvantages which employers identified in recruiting unemployed people is presented in **Chart A1.6**.

In considering where employers stand in relation to recruiting people who are both young and unemployed, it is important to recognise that the first consideration is their approach to the recruitment of young people generally. This is fundamental as it encompasses whether they have jobs deemed suitable for young people and where young people fit into overall recruitment strategies and organisational priorities.

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<sup>10</sup> See, for example, Snape, D. (1998) Recruiting Long Term Unemployed People, DSS Research Report No 76.

**Chart A1.5 Approaches to the recruitment of young people**

<b><i>Positive Social Commitment</i></b>	<b><i>Strategic Sustainability</i></b>	<b><i>Nurturing Skills</i></b>	<b><i>General Acceptance</i></b>	<b><i>Limited Opportunities/ Lack of Suitability</i></b>
<p>Features include-</p> <ul style="list-style-type: none"> <li>◆ active desire to provide opportunities for young people</li> <li>◆ support in training and skills development emphasised</li> <li>◆ focus on helping young people more than the organisation</li> <li>◆ reflects a desire to help the larger community</li> <li>◆ viewed as part of being a ‘socially responsible’ employer</li> </ul> <p><b>Employer examples:</b></p> <ul style="list-style-type: none"> <li>◆ local authorities/ large private sector organisations</li> </ul>	<p>Features include-</p> <ul style="list-style-type: none"> <li>◆ emphasis on creating a balanced workforce comprising people of different ages/ backgrounds</li> <li>◆ young people are part of a strategic plan for organisational stability</li> <li>◆ training and career progression are encouraged</li> <li>◆ young people are considered a long term investment in the future</li> <li>◆ young people are viewed as the future of the organisational culture/ traditions</li> <li>◆ screening criteria may be quite stringent</li> </ul> <p><b>Employer examples:</b></p> <ul style="list-style-type: none"> <li>◆ large public sector organisations, private sector Japanese firm offering lifetime employment</li> </ul>	<p>Features include-</p> <ul style="list-style-type: none"> <li>◆ emphasis on developing skills in specific areas where shortages have been identified</li> <li>◆ young people may serve apprenticeships or are recruited and given very job specific training</li> <li>◆ young people are viewed as receptive to training but other groups may also be considered to fill training places (e.g., career changers)</li> <li>◆ screening criteria may be quite stringent</li> <li>◆ may tend to use schemes like Modern Apprenticeships</li> </ul> <p><b>Employer examples:</b></p> <ul style="list-style-type: none"> <li>◆ manufacturing companies requiring people with technical/ crafts skills, companies requiring people with specific vehicle licenses.</li> </ul>	<p>Features include-</p> <ul style="list-style-type: none"> <li>◆ ongoing recruitment needs for unskilled jobs</li> <li>◆ young people (as well as other groups) are seen as suitable recruits</li> <li>◆ young people (as well as other groups) are viewed as ‘a pair of hands’</li> <li>◆ some opportunities for training/ career progression may be available</li> <li>◆ screening criteria is fairly open and a range of circumstances/ aspirations can be accommodated</li> </ul> <p><b>Employer examples:</b></p> <ul style="list-style-type: none"> <li>◆ High street supermarkets, food processing factories</li> </ul>	<p>Features include-</p> <p><b>(Limited opportunities)</b></p> <ul style="list-style-type: none"> <li>◆ recruitment is infrequent</li> <li>◆ tend to be smaller organisations with limited resources for training</li> <li>◆ may be willing to accept young people when jobs become available</li> </ul> <p><b>Employer examples:</b></p> <ul style="list-style-type: none"> <li>◆ voluntary sector housing charity, small private sector employers</li> </ul> <p><b>(Lack of suitability)</b></p> <ul style="list-style-type: none"> <li>◆ young people are generally not viewed as suitable recruits due to the nature of the work</li> <li>◆ young people may occasionally be considered for the work, but are rigorously vetted</li> </ul> <p><b>Employer examples:</b></p> <ul style="list-style-type: none"> <li>◆ Private sector security firm, voluntary sector residential care provider</li> </ul>

Clearly, only after they have identified jobs suitable for young people will employers begin to consider whether recruitment of young people with a history of unemployment is acceptable. It is then a question of applicants meeting the screening criteria firstly for the job and for young people generally and additionally, satisfying employers in relation to the further screening criteria which is applied to unemployed people.

This is not necessarily a straightforward process as employers have different motivations in recruitment (as discussed in section A1.2.2) and may view young unemployed people differently to older unemployed job applicants. Local labour market circumstances also appear to influence employers' perceptions of unemployed people as unemployment tended to be viewed as more acceptable and understandable in

areas of high unemployment. Indeed, in these circumstances, unemployment was sometimes construed as resulting from misfortune rather than from attributes of the individual applicant. However, even in areas of chronic high unemployment, some employers felt that motivated people could find casual work and preferred a history of this type of experience to unemployment.

In areas of low unemployment, employers tended to be more suspicious about the reasons why people were unemployed and commonly felt that this represented a lack of motivation, skills or ability in the applicant. Young applicants were expected to be employed directly from school or college and some felt that those who had been unemployed were likely to be of 'lesser calibre'.

**Chart A1.6 Perceived advantages and disadvantages of recruiting unemployed people**

Advantages of unemployed people	Disadvantages of unemployed people
<ul style="list-style-type: none"> <li>• An able 'pair of hands'/ unemployment does not make a difference to ability to do the job</li> <li>• Good for the community/ society generally to give unemployed people 'a fresh start'</li> <li>• Unemployed people may be more loyal employees if they are given work opportunities</li> <li>• Beneficial to the company and the recruit to find people with the right personal skills and provide appropriate training</li> </ul>	<ul style="list-style-type: none"> <li>• Unemployment may reflect other problematic issues (e.g., inability to hold down a job, criminal record, poor performance in previous jobs, lack of work motivation, etc.)</li> <li>• Unemployed people are 'higher risk' recruits because of:               <ul style="list-style-type: none"> <li>* lack of ability to 'vet' candidates via references, employment history, etc.</li> <li>* lack of demonstrable/ recent skills</li> <li>* need to re-learn work routines/ overcome social conditioning of not working</li> </ul> </li> </ul>

Some employers also noted that they tend not to receive applications from unemployed people as they do not advertise vacancies in ways which bring them to the attention of unemployed people. Others also specified that they prefer applicants who are already employed as they are perceived to be a lower risk than unemployed people. This is because employed people may have recent relevant work experience and are therefore able to demonstrate their ability and their motivation to do the work.

Similarly to the models of employers' stances on the recruitment of young people, employers can also be grouped in relation to their stances on the recruitment of unemployed people. They range along a continuum according to their inclination to recruit unemployed people. Key factors underlying the differences in their approaches include:

- preferences for or against the recruitment of unemployed people
- stringency of vetting criteria used to screen job applicants
- methods of advertising vacancies (particularly whether they exclude unemployed people)
- participation in government schemes for the unemployed
- availability of suitable posts for unemployed people

- the degree to which helping 'disadvantaged' groups forms part of the organisation's philosophy

Five groups of employers emerged according to how they related to these factors. They can be categorised as having the following approaches to the recruitment of unemployed people:

- positive action/ social responsibility stance
- favourably indifferent
- reluctantly accepting
- actively avoiding; and
- lacking suitable opportunities.

***Positive action/ social responsibility***

Employers taking a positive action stance to the recruitment of unemployed people tended to emphasise the importance of helping disadvantaged groups in the community. Training is offered to unemployed people where required and vacancies are advertised openly (e.g., local newspapers, Jobcentres). They may also participate in other schemes for the unemployed such as Work Trials, Youth Training, etc. Employers in this group included local authorities which view themselves as having a key role in helping local disadvantaged groups and a private sector company with a philosophy of giving jobs to the unemployed wherever possible (usually in specified types of work).

***Favourably indifferent***

Employers in this group can be described as ‘favourably indifferent’ because they feel that a history of unemployment does not matter per se. They place more emphasis on motivation and attitudes to work than on specific qualifications or work experience and they offer training where required. Their methods of advertising do not exclude unemployed people, though they do not necessarily use Jobcentres for advertising vacancies on a regular basis. They tended to describe themselves as regularly recruiting unemployed people and commonly have a range of unskilled jobs which they feel are suitable for unemployed people (or offer training to provide the required skills and/or qualifications). Examples of employers in this group included high street supermarket outlets, residential homes, public sector employers, and food processing factories.

### ***Reluctantly accepting***

This group of employers were willing to recruit unemployed people only if they successfully came through careful vetting and screening procedures. They had no regular practices with regard to the recruitment of unemployed people and felt that each case must be considered on its individual merits. These employers generally had a negative image of unemployed people and wanted to explore in detail the reasons for unemployment and be reassured about the individual’s suitability for the job and their work

motivations. In some cases, job candidates are also subject to security vetting involving checks on whether they have a police record, references from former employers and character references. Employers found these vetting procedures difficult to carry out if a person had been unemployed over a given period of time (e.g., 2 years or more) and this made them less disposed to accepting job applicants who had been unemployed for longer durations. These employers also tended to state a preference for candidates who are ‘high achievers’ and saw this as incompatible with unemployment. They usually advertised their vacancies openly, including via Jobcentres, so they did not completely eliminate unemployed people from the field of candidates, but their screening procedures and underlying attitudes may mean that unemployed people face a number of barriers to obtaining work in such organisations. Examples of employers in this group included manufacturing companies, a security firm and a transport company.

### ***Actively avoiding***

Employers in this group were explicit in their preference not to recruit unemployed people and said that they preferred job candidates who are either already in work or straight from education without a gap in employment. They tended to be suspicious about why people have been unemployed and feel that unemployed people are risky to

recruit from a business perspective. They vet job applicants carefully and describe themselves as ‘very fussy’. They do not tend to advertise vacancies in ways which are likely to come to the attention of unemployed people (i.e., ‘word of mouth’, referrals from current employees, etc.). Examples of employers in this category included a manufacturing company and an employer in the building industry.

### ***Lacking suitable opportunities***

Employers in this group were willing in principle to recruit unemployed people, subject to their meeting the job criteria, but did not often have vacancies. They tended also to require people with specific skills and/ or qualifications which they feel may be difficult to find among unemployed people (e.g., bilingual, with nursery nurse qualifications, etc.). This group also included small employers with limited resources, but with a willingness to provide training opportunities. They therefore had a history of participation in schemes such as Youth Training or other forms of training provision, but had limited opportunities for employing new staff on a permanent basis. Examples of employers in this group included a children’s nursery, not-for-profit training specialists, and a charitable organisation.

### **A1.3 Approaches to training**

One of the key criteria of the subsidised employment option of New Deal for

Young Unemployed People is that the equivalent of up to a full day’s accredited training per week must be provided for the first 6 months of the young person’s employment. This section explores the existing training contexts and the priority placed on training among the employers in this study.

#### ***A1.3.1 Types of training offered***

All of the employers in this study offered some form of training to their employees, though this ranged from formal, accredited training to informal, non-accredited training which does not necessarily provide transferable skills (e.g., induction training). As would be expected, the types of training available tended to vary between different job categories within the same firm or organisation, both in the nature and the level of the training. The different types of training which were offered included: National Vocational Qualifications or Scottish Vocational Qualifications; apprenticeship programmes; HND or other technical training; management training; one-off traineeships providing on the job training and external qualifications; induction training; and other forms of non-accredited, job specific training. These are described in greater detail below.

***National (or Scottish) Vocational Qualifications:*** A broad range of employers offered training leading to National Vocational Qualifications (NVQs/ SVQs), commonly up to level 2

(i.e., basic skills). More exceptionally, some offered NVQs at higher levels, up to level 3 or 4. The latter tended to be part of a progressive approach to training where individuals were encouraged to continue training and refining their existing skills over time.

***Apprenticeships:*** Some employers offered apprenticeships in specialist skills areas. These tended to involve longer periods of work and training of up to 4 years, and they were offered with a view to permanent employment in the organisation. Employees were taken on specifically as ‘apprentices’ and were vetted to ensure they had the appropriate aptitudes.

***Higher National Diplomas (HNDs)/ Technical training schemes:*** This type of training was less commonly mentioned and involved training in specialist skill areas at a high level. They involved extended time periods in training, linked into particular jobs of a technical nature. Examples included training in forensic science techniques and injection moulding skills.

***Management training schemes:*** These are formalised management training schemes with a set programme of training over an extended period of time. They tend to involve job rotation through various departments, with a managerial post at the end. They do not necessarily lead to recognised qualifications and places on the scheme are allocated after extensive vetting

procedures (in some cases, they are graduate-only schemes).

***One-off traineeships:*** These were rare in this sample, but involved recruiting an individual for a specific training-related post. Training involved attending external courses leading to recognised qualifications combined with work experience and full-time employment. An example was a traineeship in a not-for-profit organisation.

***Induction training:*** Organisations typically offered some form of induction training, intended to familiarise new recruits with the organisation, and basic aspects of their particular job.

***Non-accredited training:*** Some employers offered no accredited training as part of their normal employment practices. The training which they did provide was job-specific and largely informal (i.e., on the job or only as required), though less commonly, there were examples of intensive, non-accredited training. Examples of informal non-accredited training included handling and lifting techniques, health and safety training, training in dealing with customers, etc. An example of the more intensive type of training was a residential course in security techniques.

### ***A1.3.2 Key training issues***

#### ***Priority placed on training***

Some employers clearly viewed training as an essential part of developing their employees. They offered a variety of different types of training, considered training needs in an ongoing way by making it a feature of staff review meetings and individual assessments, and provided support for training in the form of sponsorship arrangements and staff time away from work.

Others clearly viewed it as inessential and largely extraneous to the needs of a particular job or to the work of the organisation more generally. This was particularly so for employers with a large staff turnover and a range of unskilled jobs. They therefore tended to offer non-accredited training where relevant rather than incurring extra expenditure in training provision.

Between these two extremes were employers with a range of approaches to training, notably a core group of the sample who encouraged accredited training, but only at a basic skills level. Encouragingly, NVQs/ SVQs were apparently commonly used by these employers, which suggests that the New Deal emphasis on training may not necessarily be difficult for them to accommodate within their existing provision.

### ***The costs of training***

Some employers emphasised the costs inherent in providing training, both in terms of actually paying for externally

administered instruction, and in the time of experienced staff who supported trainees and paying a full salary of trainees who are not as productive as other members of staff. Additionally, there is also an issue of staff retention once the investment in training had been made. Some employers noted that they have had difficulty in the past in keeping trained staff and to overcome this, some required trainees to make a contribution to their training themselves (via deductions from their wages).

### ***New developments in training***

Employers in manufacturing industries commonly mentioned a new emphasis on training which is developing as part of a move towards 'multi-skilling'. Associated with this type of training were NVQs in different skill areas and job rotation schemes to ensure that employees are able to do a wide range of jobs entailed in the manufacturing process.

Additionally, some employers noted that they are developing their own NVQ programmes to accommodate particular skill needs more closely than is the case with existing NVQs.

## **Appendix 2: Research Methods**

### ***Qualitative Research Methods***

Chapter 1 explains why qualitative research methods were used in this study. Qualitative research can be used to answer questions about what employers' motivations, expectations and experiences are, how and why they come to hold certain views and how these views change over time. However, they cannot shed light on the prevalence with which employers' have particular views or engage in specific recruitment practices or the extent to which they participate in New Deal. These latter questions must be addressed quantitatively, and a separate survey of employers has been commissioned to provide information about these and other issues requiring quantification.

### ***Sampling Methods***

As noted in Chapter 1, briefing meetings were conducted with local Employment Service staff in each area, one of the purposes of which was to generate a sample of local employers. Staff were advised of key sampling criteria and asked to provide contact details for employers with the relevant characteristics. The sampling criteria focused on the following:

Staff were asked to provide details of employers using the Jobcentre on a regular basis to advertise vacancies as well as those which tend not to do so. This was thought to be important given

that employers not normally using the Jobcentres may be less inclined to take part in New Deal.

In each area, five employers were to be interviewed. A list of between 20 and 25 employers was therefore requested to allow for drop-out and to ensure that a balanced cross section of employers with different characteristics was obtained. Letters explaining about the study and inviting participation were then sent to a selection of employers in each area, copies of which can be found at the end of this appendix.

The final stage in the sample selection involved a telephone screening exercise with employers. A screening questionnaire was used to identify employers recruitment practices (and intentions) in relation to 18-24 year olds. Employers with a history of recruiting young people, or who felt they possibly would recruit young people in future were included in the study. Those who stated that they have no work suitable for people in this age group were excluded from the sample as the main research interest is in employers who could feasibly participate in the New Deal. A copy of the screening questionnaire can be found at the end of this appendix.

Other factors which were monitored throughout recruitment to ensure diversity in the sample were:

- the scope of the organisation's operations (i.e., national, regional and local employers) and the place of the establishment to be interviewed within the organisational structure (i.e., head offices as well as branch sites); and
- the main business activities of the employer (i.e., industrial sector).

#### ***Briefing interviews with ES staff***

Each of these discussions was tape recorded with the permission of the staff involved and subsequently transcribed verbatim. These discussions were not an integral part of the research design and did not involve systematic discussion with ES staff, but some of the points raised in the discussions have been incorporated into a document on issues for further reflection, submitted separately to the Employment Service.

#### ***Conduct of employer interviews***

A topic guide was used in the in-depth interviews with employers. Topic guides are used to provide a similar structure for each interview, but are used flexibly to allow issues of relevance to particular respondents to be pursued in greater detail and new issues to emerge. A copy of the topic guide used with employers can be found at the end of this appendix.

In each case, the interviews were tape recorded with the permission of respondents. Confidentiality and anonymity were guaranteed to each employer, both on an individual basis and in relation to their organisations.

The tape recordings were then transcribed verbatim and the transcriptions were subsequently analysed using *Framework*, a method developed by SCPR<sup>11</sup>.

#### ***Analytical methods***

*Framework* involves a process in which the key topics and issues which emerge from the data are identified through familiarisation with the transcripts. A series of thematic charts is then devised and data from each interview are summarised under each topic area. The context of the information is retained and the page of the transcript noted so that it is possible to return to a transcript to explore a point in more detail or extract a verbatim quotation.

Using this method, the accounts of all respondents can be explored within a common analytical framework, which is grounded in the data collected. The ordering of the data in this way helps to highlight the full range of views, experiences and behaviours expressed by respondents, and the factors which underpin them. The method also allows within case and between case analysis.

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<sup>11</sup> Jane Ritchie and Liz Spencer (1994) *Qualitative Data Analysis for Applied Policy Research in Analyzing Qualitative Data*, A. Bryman and R. Burgess (eds.), London: Routledge.

**TOPIC GUIDE FOR NEW DEAL:  
QUALITATIVE BASELINE STUDY OF EMPLOYERS**

**Key objectives:**

- employers' awareness and understanding of New Deal
- views about the marketing and publicity surrounding New Deal
- reasons for participation or non-participation in New Deal
- expected/ actual influence of New Deal on recruitment practices, especially of young people

**1. Background Information**

- Role within the organisation/ main responsibilities
  - responsibility for recruitment issues
  - how long in this role
- Organisational background
  - nature of business's/ organisation's activities
  - location(s) of activities (i.e., single or multiple sites)
  - number of employees
    - professional
    - skilled
    - unskilled
  - how long the business/ organisation has been established

*Probe if appropriate:*

- at this establishment
- in total, throughout the organisation

*Note: Check New Deal status here to be sure it has not changed since screening. For participants, ask number of employees for whom the New Deal subsidy is being claimed; total number of New Deal employees they've taken on and how many are still there*

## 2. The Recruitment Process and Context

*As you know, this study is about New Deal for Young Unemployed People (aged 18-24), one of the aims of which is to get young unemployed people into work by encouraging employers to recruit and train them. Thinking about the recruitment process ...*

- The Recruitment Context

- broad categories in which they tend to recruit  
*(i.e., ask them to map out broad terrain for recruitment within their firm/organisation)*
- frequency with which they tend to recruit
  - \* for what types of jobs/ which job categories
  - \* methods by which these positions have been advertised
    - whether tend to use Jobcentres to advertise vacancies; why/why not
- extent of recruitment in the past year
  - for which types of job categories
  - methods by which these positions have been advertised
- whether have had any difficulty filling vacancies/ when
  - for what types of jobs
  - perceptions of why the vacancies have been difficult to fill

probe:

  - skills/ applicants mismatch? skills needed?
  - employment conditions on offer?
  - method of advertising/ making the vacancies known
  - what they are doing to overcome the problem
    - \* whether New Deal is seen as a possible solution to the problem; why/ why not
- types of vacancies for which tend to get the largest volume of applications
  - perceptions as to why this is

- Extent to which the businesses/ organisation tends to hire young people (i.e., aged 18- 24 )
  - whether any particular types of jobs are considered more/ less suitable for young people
    - \* what makes them suitable/ unsuitable
    - \* how this relates to skills, qualifications, experience of individuals
  - whether they have any established training programmes which are suitable for young people (i.e., apprenticeships, etc.)
- whether there are any policies (formal or informal) on the recruitment of young people
  - extent to which recent history of unemployment would matter/ be considered (why/ why not)
    - \* after what period of unemployment would it start to matter/ why
  - circumstances in which it would matter more/ less
- perceived advantages/ disadvantages of hiring young unemployed people from a business perspective
- experiences with the recruitment of young unemployed people
  - overall, whether they would evaluate their experiences as encouraging/ discouraging further recruitment

### **3. Awareness of New Deal for Young Unemployed People**

- How they first heard of New Deal for Young Unemployed People (incl. our letter...)
  - views about the way in which New Deal has been marketed to employers
  
- Initial impressions of New Deal
  - their initial reaction to hearing about New Deal
    - \* a good/ bad idea; why/ why not
  - whether it made them think more about hiring young unemployed people/ why/ why not
  
- Understanding of / views about the scheme
  - extent to which they feel they are clear about the details of New Deal
  - what they see as the key features of the scheme
  - perceived advantages/ disadvantages of participating in New Deal

*(probe if not spontaneously offered whether there are any issues around...)*

  - \* recruiting young unemployed people generally
  - \* uncertainty about the permanency of the appointment
  - \* the value of the subsidy/ training allowance
  - \* the process of claiming the subsidy/ training allowance
  - \* dealing with the ES/ Jobcentres/ other delivery organisations
  - \* the requirement to provide training for New Deal employees

#### 4. Decisions about Participation in New Deal

##### *For those with experience of New Deal- either current or former participants*

- Process by which the decision to participate in New Deal was made
  - nature/ extent of respondent's involvement in decision to take part in New Deal
  - if a branch site of a larger organisation, probe:*
    - \* how decisions about participation in New Deal were made (i.e., centrally or on an individual site basis)
    - \* awareness of whether other parts of the company/ organisation are participating in New Deal
  - what factors of New Deal were specifically attractive to them
    - \* how big an incentive was the New Deal subsidy; why/ why not
- Views about how New Deal compares with other initiatives to encourage the training/ recruitment of unemployed people that they're aware of (e.g., Worktrials, Job Interview Guarantee, NIC Holiday, Youth Training, etc.)
  - nature/ extent of experience with such schemes in the past; details
  - features which make New Deal for Young Unemployed People more or less attractive/ than other schemes
- Any apprehensions about participating in New Deal; why/ why not
  - views about the 'criteria' for participation in New Deal (e.g., employment for at least 6 months, training as a regular part of the job)
- Experiences of contacting the Employment Service with enquiries about New Deal
  - (probe for details and whether encouraged/ discouraged from participation)*

***For Non-participants Only (including those who are still undecided):***

- Key reasons why they are not yet participating in New Deal

*(if not spontaneously offered, probe)*

- lack of knowledge about/ awareness of New Deal
- incentive value/ whether the scheme seems worthwhile/ what makes it worth it/ not worth it
  - \* key factors in assessing the value of participating in New Deal
- perceived risks of recruiting young unemployed people
  - \* whether risks increase as length of unemployment goes on
  - \* whether screening process is a reassuring factor; why/ why not
- whether have sought guidance/ further information about New Deal
  - \* types of experiences/ views about this
  - \* whether encouraged/ discouraged from participation by their experiences; why/ why not; details
- views about administrative tasks associated with participation in New Deal
- views about the 'criteria' for participation in New Deal (e.g., employment for at least 6 months, training as a regular part of the job)
- whether existence of New Deal is expected to have an impact on their company/ organisation even if they do not participate; why/ why not; in what ways

**5. Experiences of New Deal**

***For those with experience of New Deal- either current or former participants***

*Thinking now a bit about your experiences of New Deal so far...*

- Specific criteria they were looking for in New Deal employee (e.g., qualifications, personal characteristics, experience, etc.)
  - views about effectiveness of screening processes (i.e., did they get the type of person/ people they were looking for?)

- what job(s) is/ are New Deal employee(s) doing
- what type(s) of training is/ are New Deal employee receiving
  - \* experiences of organising training
- whether New Deal has helped them fill any 'hard to fill' vacancies
- Assessments of experiences with New Deal employee(s) so far
  - what has gone well/ what less well
    - \* - if have had any New Deal employee(s) leave already, details of what happened
  - how effectively have any problems been handled
  - any lessons learned from experiences so far; whether would do anything differently in future
- Views about the administration associated with New Deal
  - overall assessment of the process/ whether easy/ difficult
  - whether ever sought guidance/ experiences and views of this
  - specific nature any problems encountered/ how overcome
  - length of time taken to complete the administrative process
- Impact of the New Deal
  - whether they had planned to recruit someone anyway prior to the introduction of New Deal (i.e., is this a specially created post or did they have a vacancy they were going to fill anyway)
  - extent to which New Deal influenced the type of person they recruited

*probe:*

  - whether would have recruited a young person anyway
  - whether would have recruited an unemployed person anyway
  - whether would have recruited a young unemployed person anyway
  - whether have recruited young unemployed people much in the past; why/ why not;

- \* if not, why are they willing to do so now? What's different?
  - \* overall, extent to which New Deal 'tipped the balance' in favour of recruiting a young unemployed person/ why/ why not
- whether New Deal influenced advertising, interviewing processes, etc.
- whether participation in New Deal has influenced the type/ extent of training they give to staff; in what ways
- \* whether any changes in training apply only to New Deal employee(s) or to all employees
- impact of the New Deal from their perspective

*probe:*

- \* views about whether New Deal can help employers to compete more effectively with other companies (i.e., by reducing labour costs)
  - \* views about whether New Deal has helped their company to gain a competitive advantage; why/ why not; probe for details
  - \* views about whether New Deal has had any negative impacts on their company/ organisation; why/ details
- overall views of whether it now seems worth participating in the New Deal
- \* key reasons why is/ is not worth it
  - \* if no longer participating in New Deal, probe for reasons why

## 6. Future Plans

### *For Current and Former Participants Only:*

- Whether they would recruit another New Deal employee again in future; why/ why not
- Whether the New Deal will make them think more about recruiting young unemployed people in future (why/ why not)

*For current participants only, probe:*

- whether their current New Deal employees will be retained at the end of the 6 month subsidy/ why/ why not
- Any suggestions they could make as to how New Deal could be made more attractive to employers/ how more employers could be encouraged to participate
  - any suggestions as to how New Deal could be marketed more effectively to employers in future
- Whether would consider participating in New Deal for older age groups in future; why/ why not
  - whether New Deal for older age groups should be marketed to employers in the same way as New Deal for Young Unemployed People; why/ why not; alternative suggestions

### *For Non- participants Only (including those who are undecided):*

- Whether will now consider participating in New Deal; why/ why not
- What would need to change (if anything) for them to participate in New Deal
  - whether would consider changing their normal recruitment practices to participate in New Deal; why/ why not; in what way(s)
  - whether would consider changing their normal training practices to participate in New Deal; why/ why not
- Any suggestions they could make as to how New Deal could be made more attractive to employers/ how more employers could be encouraged to participate

- any suggestions as to how New Deal could be marketed more effectively to employers in future

- Whether would consider participating in New Deal for older age groups in future; why/ why not

- whether New Deal for older age groups should be marketed to employers in the same way as New Deal for young people; why/ why not; alternative suggestions

*Thank you for your time*

*(Letter 1- for employers with regular ES contact or who were in contact with the ES about New Deal)*

7 July 1998

Dear

### **Research on Employers and the New Deal for Young Unemployed People**

I am writing to ask for your help. The Employment Service (ES) is interested in finding out about employers' views of the New Deal for Young Unemployed People which was introduced nationally on April 1<sup>st</sup>. New Deal is the cornerstone of the Government's Welfare to Work pledge which aims to help young people aged 18- 24 off benefits and into jobs. Employers clearly have a very important role to play in this by offering jobs to young people through New Deal. To encourage them to do so, a subsidy of up to £60 per week is available for each young person employed, with extra money available for training.

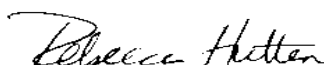
The ES has commissioned Social and Community Planning Research (SCPR), an independent social research institute, to carry out this study. The researchers would like to talk to employers from a range of businesses, and are particularly interested in talking to the person responsible for recruitment within the organisation.

Your business has been selected from Employment Service records of employers who have recently advertised jobs, who have made enquiries about New Deal (regardless of whether they followed that up), or who have already agreed to participate in New Deal.

A researcher from SCPR will telephone you after 9 July to obtain some details about your organisation. They will also talk to you about the most appropriate person to interview and make an appointment to come and speak personally to them. This will only take a few minutes of your time. The interview itself will take no longer than one hour. **All information gathered during the interview will be treated in the strictest confidence. No information will be passed to the ES or published in a form which could identify an organisation or individual.**

This study is an important part of a programme of work designed to evaluate the New Deal for Young Unemployed People, and will inform Government policy in this area. However, if you would prefer not to be contacted, please write to me at the address at the top of this letter or telephone me on 0114 259 6295. Alternatively you can contact either Dawn Snape or Jane Ritchie at SCPR on 0171-250-1866. Please quote the reference number at the top of this letter. Whatever you decide, your dealings with the Employment Service will not be affected, either now or in the future.

Yours sincerely



Rebecca Hutten  
Senior Research Officer

*(Letter 2 for use with employers who did not have regular contact with the ES)*

Dear

### **Research on Employers and the New Deal for Young Unemployed People**

I am writing to ask for your help. The Employment Service (ES) is interested in finding out about employers' views of the New Deal for Young Unemployed People which was introduced nationally on April 1<sup>st</sup>. New Deal is the cornerstone of the Government's Welfare to Work pledge which aims to help young people aged 18- 24 off benefits and into jobs. Employers clearly have a very important role to play in this by offering jobs to young people through New Deal. To encourage them to do so, a subsidy of up to £60 per week is available for each young person employed, with extra money available for training.

The Employment Service has commissioned Social and Community Planning Research (SCPR), an independent social research institute, to carry out this study. The researchers would like to talk to employers from a range of businesses, and are particularly interested in talking to the person responsible for recruitment within the organisation. The Employment Service is just as interested in employers that are undecided or who have decided not to participate in New Deal as in those that have, and in the views of small employers as well as large ones.

The study focuses on different regions of England, Wales and Scotland, including the Caerphilly area, as it is important to ensure that a wide range of employers are represented in the study. Within each of these areas, the Employment Service, Training and Enterprise Councils or Local Enterprise Councils have been asked to suggest a broad variety of local employers that might be willing to participate in the study and this is why we are contacting you.

A researcher from SCPR will telephone you after 9 July to obtain some details about your organisation. They will also talk to you about the most appropriate person to interview and make an appointment to come and speak personally to them. This will only take a few minutes of your time. The interview itself will take no longer than one hour. **All information gathered during the interview will be treated in the strictest confidence. No information will be passed to the ES or published in a form which could identify an organisation or individual.**

This study is an important part of a programme of work designed to evaluate the New Deal for Young Unemployed People, and will inform Government policy in this area. We hope that you will want to take part, but whatever you decide, your dealings with the Employment Service will not be affected, either now or in the future. If you have any further questions about the study, please do not hesitate to contact either Dawn Snape or Jane Ritchie at SCPR on 0171-250-1866. Alternatively, you can contact Rebecca Hutten at the Employment Service on 0114 259 6295.

Yours sincerely

Dawn Snape  
Research Director

**New Deal Evaluation- Baseline Study with Employers  
Screening Document**

**Introduction**

Hello, my name is ..., I am calling from Social and Community Planning Research in London to follow up on a letter which was sent to you on ..... As you may recall, the letter explained about a study which we are undertaking on behalf of the Employment Service to explore employers' views of the New Deal for Young Unemployed People. As employers play an important role in determining the success of the New Deal, the Employment Service is very keen to hear your views.

The New Deal offers employers up to £60 per week to recruit a young unemployed person and provide them with work experience. More money is available to employers to help with the costs of training the young person as well.

The Employment Service is equally interested in the opinions of those who have already signed up to the New Deal, as in those who may sign up later or who feel they probably will not take part. We are seeking to include the views of a wide variety of employers and are going to several areas of the country to speak personally to representatives of a range of different companies and organisations.

We are phoning now to find out whether you would be willing to take part in the research (which would entail a face to face interview in your workplace lasting no more than an hour) and if so, to get some basic information about your business/ organisation which will enable us to select a balanced cross-section of employers in your area. All the information you give us will remain confidential and will be used for research purposes only. Your business/ organisation (*as appropriate*) will not be identified in our reporting to the ES or more widely.

Would you be willing to take part in the research?

yes  go to section 1

no  → 

<i>Thank and end.</i>
---------------------------

**Section 1: Respondent Information**

Could I just ask you a few questions about your business/ organisation and your role there...

*(Please note: we need to speak with the person with main responsibility for recruitment. If they are not that person, please get the name of the person who is and say we'll ring back to speak to that person directly)*

1. What is your job title?
2. Are you the person in your establishment with main responsibility for day to day policy on staff recruitment?

*(please tick one box only)*

yes  skip to Q4

no  go to Q3

3. Could you please tell me who the person with main responsibility for recruitment is?

*(please fill in name here):*

Thank  
and end.

**Section 2: Information about the organisation's New Deal status**

Now I'd like to ask you a few questions about your recruitment practices and the likelihood of your participation in the New Deal. This will help us to determine whether your business/ organisation fits one of the categories of employers we need to include in the research.

4. Which of the following would you say best describes your recruitment of young people (aged 18- 24 years old)?

*(please tick one box only)*

- regularly recruit 18- 24 year olds  skip to Q6

- occasionally recruit 18- 24 year olds  skip to Q6

- have jobs which could be done by someone of this age, but have not recruited young people  go to Q5

- never have any jobs which would be suitable for people in this age group  go to Q5

- have never recruited an employee (of any age)  go to Q5

5. Would you *ever* consider recruiting someone of this age (for example, if you got a weekly subsidy and extra help to cover the costs of training)?

*(please tick one box only)*

- |                           |                          |   |                           |
|---------------------------|--------------------------|---|---------------------------|
| - yes                     | <input type="checkbox"/> | go to Q6  |                           |
| - no                      | <input type="checkbox"/> | → <table border="1"><tr><td><i>Thank and<br/>end.</i></td></tr></table> | <i>Thank and<br/>end.</i> |
| <i>Thank and<br/>end.</i> |                          |   |                           |
| - not sure                | <input type="checkbox"/> | go to Q6  |                           |

6. How likely do you think it is that you will participate as an employer in the New Deal?

Are you...

*(please tick one box only)*

- |                                    |  |
|------------------------------------|--|
| - already signed up to participate | <input type="checkbox"/>                       |
| - not sure if you will participate | <input type="checkbox"/> (All go to Section 3) |
| - definitely will not participate  | <input type="checkbox"/>                       |

<b>Section 3: Information about the size and structure of the organisation</b>
--

*Now I'd like to ask you a few questions about the size of your business/ organisation ...*

7. In total, approximately how many employees are employed by your company/ organisation?

*(please fill in a number):*

8. How many of these are employed at your particular establishment?

*(please fill in a number):*

9. Would you describe your establishment as:

*(please tick one box only)*

- 4)
- the head office of a national or regional employer (i.e., with branches located elsewhere)
  - a branch site of a national or regional organisation (i.e., with a head office located elsewhere)  (All go to Section 4)
  - the sole site of the company/ organisation
  - other (please specify) \_\_\_\_\_

**Section 4: Information about the activities of the business/ organisation**

*Lastly, if I could just briefly ask you about the sector and main activities of your business/ organisation...*

10. Would you describe your business/ organisation as...

*(please read out and tick one only)*

- private sector
- public sector
- voluntary sector (i.e., a registered charity)

11. Please briefly describe the main business of your company/ organisation.

*(please briefly fill in the description given)*

Thank you for your help with these questions. As I explained earlier, they will help us to ensure that we speak to a wide range of employers in your area and your replies will be treated strictly confidentially. Now I wonder if it would be possible to arrange a convenient time to come and speak to you about your views of the New Deal...  
*(Please try to arrange a convenient time for an interview and note it down on the call record form.)*