

EMPLOYER ENGAGEMENT

RESEARCH REPORT 29
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EXECUTIVE SUMMARY

skills
FOR BUSINESS

Introduction

This research was commissioned by the Sector Skills Development Agency to inform the employer engagement activity of the Skills for Business network and other public sector organisations. It sought to provide a holistic review of employer engagement which goes well beyond the Skills for Business network, and indeed beyond the skills arena. It aimed to:

- define and classify employer engagement;
- identify the drivers of employer engagement;
- understand the main processes and relationships underpinning employer engagement activity.

The research aimed to synthesise existing literature from a range of disciplines and supplement this with new qualitative research examining employer engagement activities across a range of policy contexts. The research drew on a variety of situations and relationships, including private sector services sought by employers, employer networks and employer engagement with voluntary and community organisations.

The study allows organisations working with or on behalf of employers to identify and understand how the drivers and context of engagement influence their behaviour. As a result these organisations will be able to tailor their approaches to employers not currently engaged and improve existing relationships. Such an understanding is important because successfully engaging employers is necessary for public sector organisations to achieve influence and act with legitimacy and authority when working on their behalf but also when working to influence them.



Defining and classifying employer engagement

The research found that there is no single agreed definition of what “employer engagement” means or what it involves. Even within the skills policy arena it means different things to different organisations and in different contexts. There have been a number of attempts to classify employer engagement in particular contexts, but no research has taken a holistic approach. Existing models that try to categorise the whole engagement process tend to examine the process from one perspective and do not detail the different elements that make up the process. The research found that a definition of employer engagement needs to consider:

- which organisations are involved: is the engagement between one or more employers, between an employer and an organisation seeking to represent or provide services to employers or directly between an employer and a public sector body?

- what it aims to achieve: is the engagement for commercial benefit, public benefit or a combination of both?
- the type of relationship: is the relationship based on membership, co-operation or collaboration and is it managed by an intermediary?

This report defines employer engagement as “any form of contact between any organisation and an employer, that attempts to effect a change in the knowledge, understanding or behaviour of either; or of a third party, for some purpose related to the wider public benefit.” “Indirect employer engagement” is defined here as “activity that uses an intermediary organisation that represents either employers or other organisations in the engagement process.”

Drivers of employer engagement

Existing literature reports several reasons for public sector organisations to engage with employers.

Engagement can be categorised as:

- Consumer-focused engagement: activity where employers use or purchase products, or services provided by the public sector;
- Stakeholder-focused engagement: activity where employers help to shape a project, product, or service which they receive;
- Strategic partner focused engagement: activity where employers provide input into planning or strategic decisions for activities or services they do not directly use or gain any immediate benefit from;
- Provider-focused engagement: activity where an employer delivers a service or product which has a public benefit.

There has been little research investigating the employer's perspective except in very specific contexts or by examining one or two drivers or barriers. This research suggests employers primarily seek business benefits from employer engagement activities, but there are also wider public benefits: the two are not mutually exclusive. Where an activity results in both there are strong drivers for the public sector and employers to work together.

Employers seek both direct and indirect benefits from employer engagement activities, but the importance placed on each varies depending on the type of engagement. Where employers are engaged as consumers they place more emphasis on benefits that impact directly on their operations, such as activities that reduce costs or increase efficiency. Where employers are engaged as strategic partners or providers they place greater emphasis on benefits that impact on a wider community to which they belong, such as a business sector, local geographic area or wider society.

These may have a longer term and indirect impact on the employer's operations.

Though employer engagement is a relationship between corporate bodies, it is mediated through people. Therefore personal interests and values can be as important as business interests in terms of influencing an employer's decision to engage, particularly in strategic partner and provider type activities. Personal interests are often aligned with the employer's commercial benefits.

The research identified two types of factors that potentially influence an employer's participation in a particular employer engagement activity. These are:

- external parameters outside the immediate control of participants, and often inter-linked, such as economic conditions, geographic location, size or sector of company, and cultural identity;

- factors associated with the engagement process and within the control of the participants. For example, the method of engagement or the level of commitment required.

Although the research focused only on engaged employers it identified reasons why employers had been put off in the past and factors that restricted further engagement. It found that the main barriers related to how the engagement process was conducted rather than anything outside the control of the organisation managing the engagement.



The employer engagement process

Skills policy literature in particular refers to employer engagement as if it is a single event or process, but this study identifies relationships developing through four distinct phases:

- preparing for the engagement. This includes understanding the drivers, constraints, motivation, desired impact and external parameters that may influence engagement as well as the scope of the engagement;
- establishing the engagement. These are the processes and practices which turn the initial interest into participation. This includes agreeing the outputs and impacts sought, establishing trust and the level of commitment required, identifying the most appropriate type of relationship and method of undertaking the engagement;
- maintaining the engagement and ensuring that all participants deliver on their commitments. This relies on maintaining the initial trust established, ensuring that the level

of commitment agreed is maintained, but not exceeded, and reviewing the method of engagement to ensure it is both appropriate and achieving its objectives;

- developing the engagement. This can include reviewing the existing activity and seeking to improve it, deepening the relationship so that participants are involved in more activities with the same aims or broadening the engagement to participate in engagement activities either with different partners or with different aims.

A model has been developed to illustrate the relationships and processes that underpin the various phases of employer engagement. The model shows that:

- external parameters outside the immediate control of the parties involved can impact on all phases of the engagement;
- the processes and relationships associated with the perspectives of both the employer and the organisation managing the engagement are identical.

However the factors impacting on them are likely to be different;

- preparation for engagement focuses on the rationale for the relationship, but establishing and maintaining engagement relies on the effectiveness of the relationship between individuals;
- an individual's ability and willingness to participate in any engagement depends on a number of factors such as the commitment required, its intensity and the level of trust established. The importance of each of these factors and their relative importance will vary depending on the type and method of engagement and the perceptions of the individual involved;
- identifying the most appropriate type of relationship for the engagement may strengthen the willingness and ability for individuals to participate in an activity;
- if the engagement has been successful it will have provided benefits to all parties involved and these will encourage participation in further activity, with the same organisations or others.

Further research

This research has resulted in a model that defines employer engagement and identifies the relationships and processes that underpin it. Further work needs to be undertaken to apply and test this model within specific contexts such as Skills for Business network activities.

The research was unable to review or rank parameters outside the control of participants impact on employer's decisions to engage. This could be investigated further by undertaking case studies examining engagement decisions made by individual employers over a specified period.

As this was a qualitative study it was not possible to infer the weight given by employers to different types of benefits when considering different types of employer engagement. A quantitative study would provide a better understanding of which benefits to promote in relation to particular activities. This is perhaps a question for SSCs to address through their own research and in developing their own employer engagement strategies.



This report is a summary of a research report carried out by the Mackinnon Partnership with the Centre for Economic Research and Intelligence at Kingston University on behalf of the Sector Skills Development Agency.

Full copies of the report can be downloaded from the Research section at www.ssda.org.uk