

EMPLOYER ENGAGEMENT

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Employer Engagement

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Sector Skills Development Agency: Research Series Foreword

In October 2002 the then Department for Education and Skills (now DIUS) formally launched Skills for Business (SfB), a new UK-wide network of employer-led Sector Skills Councils (SSCs), supported and directed by the Sector Skills Development Agency (SSDA). The purpose of SfB is to bring employers more centre stage in articulating their skill needs and delivering skills-based productivity improvements that can enhance UK competitiveness and the effectiveness of public services. The remit of the SSDA includes establishing and progressing the network of SSCs, supporting the SSCs in the development of their own capacity and providing a range of core services. Additionally the SSDA has responsibility for representing sectors not covered by an SSC and co-ordinating action on generic issues.

Research, and developing a sound evidence base, is central to the SSDA and to Skills for Business as a whole. It is crucial in: analysing productivity and skill needs; identifying priorities for action; and improving the evolving policy and skills agenda. It is vital that the SSDA research team works closely with partners already involved in skills and related research to generally drive up the quality of sectoral labour market analysis in the UK and to develop a more shared understanding of UK-wide sector priorities.

The SSDA is undertaking a variety of activities to develop the analytical capacity of the Network and enhance its evidence base. This involves: developing a substantial programme of new research and evaluation, including international research; synthesizing existing research; developing a common skills and labour market intelligence framework; taking part in partnership research projects across the UK; and setting up an expert panel drawing on the knowledge of leading academics, consultants and researchers in the field of labour market studies. Members of this panel will feed into specific research projects and peer review the outputs; be invited to participate in seminars and consultation events on specific research and policy issues; and will be asked to contribute to an annual research conference.

The SSDA takes the dissemination of research findings seriously. As such it has developed this dedicated research series to publish all research sponsored by the SSDA.

Lesley Giles
Director of Strategy and Research at the SSDA

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Executive Summary

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.

1. Introduction

1.1 Context

The Skills for Business network (SfBn) has four strategic objectives that aim to improve the competitiveness and productivity of the UK economy. These objectives are to:

- improve productivity and business and public sector performance;
- reduce skills gaps and shortages and to anticipate future needs;
- increase opportunities to develop and improve the workforce;
- improve learning supply.

The network aims to achieve these objectives by putting employers centre stage in meeting their own sector's skills and business needs and by enabling them to exert strong influence throughout the skills and learning system.

The Leitch Review of Skills (2006) re-emphasises the important role employer engagement plays in achieving these objectives. It reports that even though the UK has had 14 years of unbroken economic growth and has the highest employment rate in the G7 its skills base remains weak by international standards. It concludes that this is not only holding back productivity, growth and social justice but if action is not taken it will reduce the UK economy's future international competitiveness. Improvements in the UK's skills base will need to exceed current targets in 2020 if the economy is keep up with other countries.

*"Skills were once a key lever for prosperity and fairness. Skills are now increasingly **the** key lever. A radical step-change is necessary".* Leitch Review of Skills (2006)

To achieve this step-change Leitch highlights the importance of raising employers' engagement and investment in skills and the need for:

- Government to ensure that the skills system is led by demand from employers and individuals and not centrally planned. It should focus its investment on market failures, ensuring a basic skills level for all and targeting help where it is needed most;
- employers to provide a stronger input into the design and delivery of skills qualifications as well as contributing most where they receive greatest private returns.

The review envisages Sector Skills Councils and the new Commission for Employment and Skills playing a central role in employer engagement.

1.2 Research objectives

This research aimed to inform the employer engagement activity of the Skills for Business network and other public sector organisations by undertaking 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 focus of the research was the activities of public sector organisations attempting to gain some form of engagement with the private sector, though the review found that this is not the only type of engagement possible. The research therefore draws 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 learn from best practice thereby enabling them to understand the drivers and context likely to influence their engagement. As a result these organisations will be able to tailor their approaches to employers not currently engaged and improve existing relationships.

1.3 Methodology

The research involved three stages:

- a review of the existing knowledge base, including a broad-based literature review of the academic and policy literature relating to employer engagement in different contexts;
- interviews with 22 informed observers from public sector and employer representative organisations who were able to provide an overview of how businesses engage with the public sector in different contexts, how employers might be influenced and the barriers that might exist. Appendix B lists the organisations represented by these observers.
- case studies of 17 diverse employer engagement activities. These involved interviews with both the organisation managing the engagement and participating employers, to identify the drivers and barriers to employer engagement across a wide range of activities, and to identify good practice. A list of case studies and one page summaries of each, presenting the context and key issues from employers' and the engaging organisation's perspective, are included in Appendix C.

The research focused on understanding the employer engagement process and therefore did not include research with non-engaged employers. However the research asked employers participating in the case studies why they were not engaged in other activities and the barriers they experienced currently or previously which had affected their involvement.

1.3.1 Literature review methodology

The literature review aimed to cast the bibliographic net as wide as possible to explore both directly-related and more tangential themes relevant to employer engagement. It covered:

- academic literature regarding theories and perspectives on business involvement or engagement in civic, community, voluntary, membership and public sector activities including national and international perspectives;
- practitioner focused literature examining methods of business engagement and environments including activity ranging from research to service provision;
- policy documents and good practice literature.

It began with development of parameters for the review, which resulted in the key word and reference framework set out in Appendix A. This provided a framework for a structured approach to the material. From this initial literature review a wide range of themes and ideas emerged which were presented as a working document to the steering group. A more detailed investigation of particular themes identified by the steering group was then undertaken and the synthesised findings were presented as part of the stage one report.

1.3.2 Informed observer interviews

These interviews aimed to draw on the knowledge and experience of organisations with an overview of how businesses engage with public sector and employer representative organisations in different contexts, how employers may be influenced and the barriers that exist. Specifically they aimed to:

- test broad conclusions from the literature review;
- identify employer engagement processes used and for what purpose;
- seek views on barriers and good practice;
- identify specific good practice examples or organisations that could be approached to participate in case studies.

Appendix B lists the organisations represented by these informed observers.

1.3.3 Case study methodology

The case studies tested the findings of the first two stages by examining a diverse range of employer engagement activities in more detail. The objective was to identify the drivers and barriers to employer engagement across a wide range of activities and to identify good practice. Each case study involved:

- an interview with the organisation managing the employer engagement activity to understand the detail of their activity and how well it works;
- interviews with up to five employers involved in the activity to identify why they are involved, what encourages them or prevents them being involved more and to get details about their attitude to engaging with the public sector. Interviews consisted of an open discussion with a short series of closed questions.

The case studies were identified during stages one and two and through recommendation. They were selected to represent:

- both skills and non-skills policy areas;
- different types of employer engagement activity.

They also included activities:

- across the UK;
- at national, regional and local level;
- undertaken by public sector organisations, employer representative organisations and employer networks.

The research resulted in 17 completed case studies. These are listed in table 1.1 and summarised in Appendix C. The case study numbers are referenced throughout the report.

Table 1.1: Case studies completed

Skills policy area	Non-skills policy area
<ul style="list-style-type: none"> • East Midlands Skills Brokerage (CS 1) • Welsh Basic Skills Employer Pledge (CS 4) • Greenwich College Training Centres (CS 5) • Thanet College Industrial Professors (CS 6) • Hampshire and Isle of Wight Local Skills for Productivity Alliance (CS 10) • Northamptonshire County Employer Engagement Group (CS 12) • IIP UK Ambassadors Programme (CS 13) • National Education Business Partnership Network Business Group (CS 15) • Welsh Assembly Government Dynamo Project (CS 16) 	<ul style="list-style-type: none"> • West Midlands Safety in Business (CS 2) • Southwark Environmental Business Awards (CS 3) • Croydon Local Strategic Partnership (CS 7) • Employers Forum on Age (CS 8) • Halton Employment Charter (CS 9) • Haringey City Growth Strategy (CS 11) • Leeds Ahead (CS 14) • Wycombe 4 C Partnership (CS 17)

In eight other cases initial interviews were conducted with the organisation managing the engagement, but then had to be abandoned either because:

- employer contact details were not subsequently provided (the majority of cases); or
- it became clear after the initial interviews that contacting employers was not appropriate.

Information gathered from these eight initial interviews has been integrated into the research findings.

The completed case studies resulted in interviews with 70 employers about their involvement in the specific activity and employer engagement more widely. As illustrated in table 1.2 these represented a wide range of sectors, sizes and types of business including multi-national corporations, medium-sized independent companies, public sector organisations and the self-employed. The report presents an analysis of the combined findings from these interviews.

Table 1.2: Businesses interviewed

Business Type	Number
Size	
1-25 employees	23
26-200 employees	22
Over 200 employees	25
Sector	
Manufacturing and construction	11
Retail, wholesale, hospitality and transport	20
Non-marketed services and public sector	39
Total	70

Five employer interviews were not completed in every case study either because:

- five employer contacts were not always provided. This was mainly because few employers were involved in the activity;
- despite extensive efforts it was not possible to arrange interviews with all the contacts provided.

1.4 Structure of the report

This report synthesises the findings from the three stages of the research and presents them in four further chapters:

- Chapter 2 offers a broad interpretation of what ‘employer engagement’ means to different bodies, attempts to classify it and proposes a definition of employer engagement;
- Chapter 3 discusses what influences an employer’s decision to participate in a particular activity;
- Chapter 4 considers the various aspects of the employer engagement process and identifies the main relationships underpinning employer engagement activities;
- Chapter 5 draws together the conclusions of this research.

2. Defining and classifying employer engagement

Summary

- 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.
- 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.”
- The term “employer” is misleading in some circumstances as some engagement activities include businesses that do not employ anyone and organisations that use volunteers.
- “Indirect employer engagement” is defined here as “activity that uses an intermediary organisation that represents either employers or other organisations in the engagement process.”
- Employers can be engaged as:
 - **Consumers.** They simply use products or services supplied;
 - **Stakeholders.** They help to shape the product or service which they receive;
 - **Strategic partners.** They provide input into planning, strategy and decision making for activities or services they do not directly use or gain any immediate benefit from;
 - **Providers.** They deliver activities which have a public benefit.
- Employer engagement activity can involve more than one of these classifications and the type of engagement can change over time. The classification used can also vary depending on the perspective from which it is viewed reflecting the two-way nature of the engagement relationship.

This chapter considers what employer engagement means and presents a definition of employer engagement developed as part of this research.

2.1 The use of the term “employer engagement”

Employer engagement is a term used widely within the skills policy arena, although there is no common definition. Its meaning often depends on the context in which the term is used. For example:

- the Leitch Review of Skills (2006) devotes a chapter to employer engagement and states “Employers must play their part in achieving a world class skills base in the UK, raising their engagement in skills at all levels and using skills effectively”;
- documents published by the LSC to support the Success for All Reform Strategy (LSC, 2004a) emphasise the need to promote partnerships between employers and providers. “Like Success for All, it gives employers more say in how, where and when training is delivered. It is therefore vital that further education providers engage employers successfully”;
- many colleges and other organisations have Employer Engagement Managers or Units. “The Employer Engagement Unit is your one stop shop for business and training solutions” (Salford College, 2007).

Even within the same context interpretation can differ depending on the perspectives or understanding of the parties involved. For example the Skills for Business network phase three evaluation (Policy Research Institute and IES, 2006) highlights:

“Employer engagement is seen to be a key role for the network and various definitions and conceptions exist within the network and amongst its stakeholders”

Where employer engagement is defined it is often defined as either:

- a process, for example a mechanism through which employers can work with colleges to influence the design and delivery of vocational training;
- an outcome, for example an increase in employer’s investment in skills and training;
- or both:

“The term ‘employer engagement’ is becoming increasingly familiar to those engaged in the field of education and skills. It refers to the importance being placed at national and local levels on encouraging businesses to invest in training and to get involved with the design and delivery of that training” (SSDA, 2005)

Identifying a common definition is made more difficult because the concept can also be described in different ways using different words. For example in one of the most comprehensive reviews of employer engagement, undertaken by ECOTEC for the DfES (McCoshan, A. and Souto Otero, M., 2003) the concept of engagement is characterised in a variety of ways, that are used interchangeably:

*“Funding arrangements and qualification systems are the main external barriers identified by colleges to achieving greater **responsiveness** [to employers needs]. ”*

*“Establish colleges’ views on what works well in establishing effective **relationships** with employers and meeting their needs.”*

*“There are several possible structures for organising direct **partnership** work with employers.”*

*“Interviews with Heads of Departments revealed three main reasons why colleges **link** with employers.”*

There is a great deal of research into what could be considered employer engagement in other policy fields such as regional development, economic development, management studies, business strategies, innovation studies and policy studies, but there is no more consistent use of the term. For example:

- policy studies have involved debates about whether local areas can be considered coherent units (McCann, 2002) or whether they have a cultural homogeneity that can be used to bind both public and private institutions together (Curran, 2000 and Moon et al, 2005);
- studies associated with economic development have raised many questions about the relationship between employers and the public sector in terms of activities to support or protect employers from global patterns of investment (Wolfsen and Frisken, 2000) and the role of elites in civic society (Bachelor, 1997 and Raco, 1999);
- regional development theories consider the manner in which certain connections between employers and the public sector work to create regional competitiveness (Elgar, 2007 and Hudson, 1999).

This lack of clarity and lack of a common language makes it more difficult for organisations working with employers to learn lessons from elsewhere and to understand the factors that influence employer engagement in its various forms. In order to make the language used less opaque and to aid the sharing of good practice this report suggests definitions of a number of terms or concepts that have been identified during the course of the research.

2.2 Defining employer engagement

The interpretation of employer engagement is highly dependent on context, but the research identified a number of factors that can help clarify what is being discussed.

2.2.1 Which organisations are involved?

The first factor to consider is which organisations are involved in the employer engagement activity.

The research identified some confusion over what was meant by the term employer. This is a particular issue where organisations are seeking to engage with businesses that do not employ people. For example the Welsh Assembly Dynamo Project (case study 16) recruits entrepreneurs to go into schools and colleges as part of an entrepreneurship education programme. This targets small and medium-sized businesses and the project manager emphasised that they refer to participants as “businesses” and not “employers”. This was for two reasons:

- some participants were owner-managers or partnerships who did not employ anyone and for whom the term was therefore inappropriate;
- the project manager thought that the term “employer” was one used by the public sector and the project was deliberately trying to avoid being labelled as a public sector initiative.

However, an informed observer involved in the Learning and Skills Council’s public sector engagement activities thought that using the term “business engagement” would exclude consideration of some large employing public sector organisations. Similarly engagement activities risk excluding organisations that primarily use volunteers by using either term. For simplicity this report uses the term “employer engagement” to represent engagement with commercial, public and voluntary sector organisations. The importance of the language used in employer engagement activities is discussed further elsewhere in this report.

The skills policy literature focuses on the engagement between public sector organisations and employers. This is illustrated by relationship A in Figure 2.1. However, public sector organisations are not the only types of organisations engaging with employers:

- employers identify common goals and work together in strategic alliances without any external intervention (B). In some cases these alliances then engage with public sector organisations. Examples include:
 - the London Benchmarking Group. A group of employers that has developed a robust and comprehensive model for measuring, benchmarking and reporting their corporate community involvement. The model is now used internationally;
 - the Employers Forum on Age (case study 8). This was established as a membership body in 1996 by a group of employers with the aim of influencing the emerging age legislation which came into force from 1 October 2006. The Forum now also provides advice and support on better anti-discriminatory practice on age.

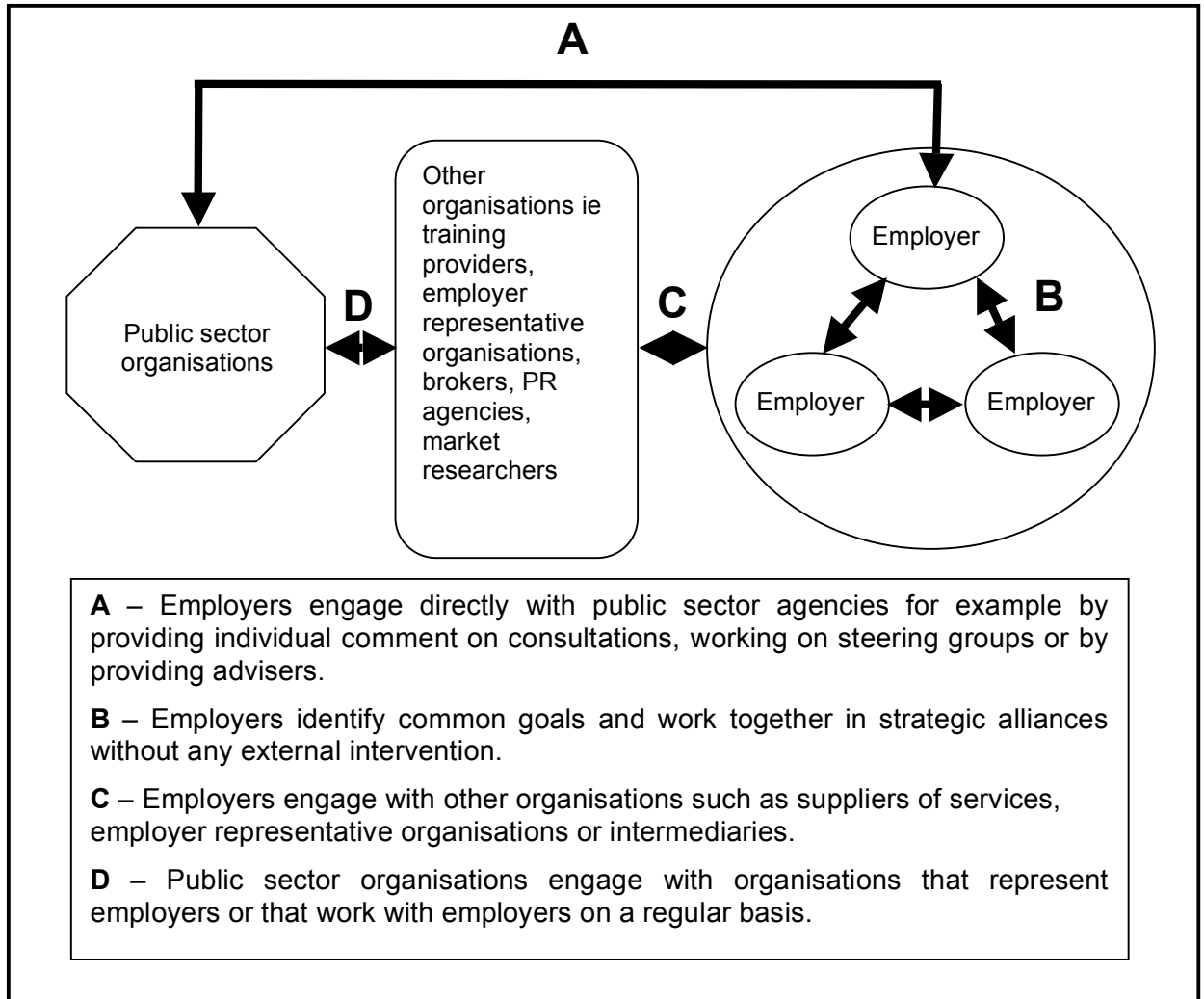
- employers engage with other organisations such as those providing training or business support services or employer representative organisations (C). These organisations may also have a relationship with the public sector and therefore take the role of an intermediary. For example the Aberdeen and Grampian Oil and Gas Survey is commissioned by Aberdeen and Grampian Chamber of Commerce. It surveys oil and gas contractors and operators working in the UK Continental Shelf and aims to identify trends in business confidence, industry developments, activity levels and employment issues. The results are used by employers in the sector as well as the Chamber of Commerce and public sector organisations to identify key issues and inform policy.

Similarly public sector organisations do not always engage directly with employers, but with organisations that represent employers or work with them (D). For example the International Labour Organisation's Bureau for Employers' Activities (1998) states that employer organisations have two key roles:

“to influence the policy and legal environment so as to ensure that it is conducive to business growth and development through, for instance, tripartite as well as bipartite dialogue with government and unions”

“the provision of direct services to members which are based on their needs; which enhance the performance and competitiveness of the private sector; and which enable members to discharge their wider corporate responsibilities and make contributions to national socio-economic development.”

Figure 2.1: Employer engagement participants



In its broadest sense employer engagement can therefore be used to describe relationships between a number of different types of organisations. These relationships can have a variety of objectives and forms both of which may influence the way the employer engagement activity takes place.

2.2.2 What does it aim to achieve?

Some employer engagement activities are undertaken on a purely commercial basis. In this case the linkages in figure 2.1 illustrate commercial supplier-buyer relationships, for example the public sector procuring contractors to build a school or supply accountancy services or an employer purchasing some form of business service. These are primarily contractual relationships, though there are examples where both buyer and supplier work together to improve the efficiency or effectiveness of the relationship. For example the Office for Government Commerce (OGC) established the Professional Services Forum in May 2004 to improve the procurement and delivery of professional services to the public sector and the client-supplier relationship. The Forum is attended by public sector and industry representatives including representatives of individual employers.

The focus of the skills policy literature is on the wider public benefits of employer engagement but employers may also get a commercial benefit from their activities. Commercial and public benefits are not mutually exclusive: where an activity results in both there are strong drivers for the public sector and employers to engage.

An example is training provided to the workforce through the Train to Gain programme. In the East Midlands case study (case study 1) most participating employers see this type of activity as providing a commercial benefit as it is increasing their workforce's skills to address a specific business need. However, having a better qualified and skilled pool of labour also benefits the local economy more widely. There are similar examples outside the skills policy field. The Southwark Environmental Business Awards (case study 3) are given to businesses meeting specific criteria in the way they deal with waste and recycling. For employers there are immediate cost savings from implementing practices associated with the Award and this is attractive to business, but there are also environmental public benefits resulting from reduced waste.

Where commercial and public benefits do not overlap so well or where the benefits are not obvious, there is less willingness to engage. For example Train to Gain Brokers in the East Midlands (case study 1) find it more difficult to engage employers with low level skills requirements because these employers see less commercial benefit in training their workforce further.

Where activities have a wider public benefit, the impacts will often not just be on the employer and employees, but also a third party. This is most obviously the case in employers' corporate social responsibility activities. For example the main aim of the Welsh Assembly Dynamo project (case study 16) is to use employers to promote the concept of entrepreneurship to young people and to give them the confidence to consider business creation as a future option.

2.2.3 What is the type of relationship?

Much of the skills policy literature describes employer engagement as a policy tool and is discussed from the public sector's perspective. However as the arrows in figure 2.1 and the following quote illustrate engagement requires a two-way relationship.

“To provide Foundation Degrees that meet a specific employer need, employers can provide information on skills and knowledge relevant to employment in order to design and deliver a Foundation Degree that integrates academic and work-based learning that meets the needs of all stakeholders.” (Foundation Degree Forward, 2004)

The academic literature reviewed highlighted many different ways to consider the relationships underpinning employer engagement and the benefit of understanding them. For example Polenske (2004) asserts that by understanding the inter-relationships between competition, collaboration and cooperation and the constraints affecting those relationships local and national government and industrial decision-makers can make more effective business, labour and regional policies. Further discussion of the different types of relationships is presented in chapter four.

The research found that many public sector organisations engage with employers through third parties. From the public sector organisation's perspective this is an indirect form of employer engagement. This can take three forms:

- the use of third parties to broker the initial relationship with targeted employers. For example:
 - a telesales company has been used to generate leads and make appointments for Train to Gain Brokers (case study 1);
 - the DfES Business Relations team has used a public relations agency to broker relationships with large corporate employers with the intention of establishing long-term relationships that will support DfES priorities and key policies;
 - employers on the Northamptonshire County Employer Engagement Group were recruited through local organisations such as the Chamber of Commerce that had more direct contact with employers than the LSC (case study 12).
- the use of third party organisations to manage the entire employer engagement process. Public sector organisations tend to follow this route either because:
 - they do not have the resources or expertise to undertake the activity themselves and therefore sub-contract the activity. For example the LSC in the East Midlands sub-contracts its Train to Gain Brokerage to third parties (case study 1);
 - other organisations are likely to have better success in engaging with employers, for example because they are trusted or because they are better able to communicate with businesses. For example Leeds City Council funds Leeds Ahead (case study 14) to broker and manage relationships between employers and community groups looking for business support. The Council uses Leeds Ahead because of its expertise.
- consultation with third party organisations that represent employers such as trade associations. The research found that some organisations managing this type of employer engagement do not always consider how representative employer bodies are or how they engage employers. They often either assume they are representative based on reputation, or settle for a proxy voice on behalf of employers because they lack the time, resources or will to get anything else. In some circumstances organisations complement the views of a representative body with those from other employers, to ensure that they get a balanced perspective.

2.2.4 A definition of employer engagement

From both the policy and academic literature it is clear that there is a wide range of interpretations of employer engagement and no attempt has been made to provide a definition which can be used in all situations. The definition presented below has been developed as part of this research and has proved useful as it is broad enough to cover all employer engagement activity whilst still providing some clarification.

'Employer engagement' is 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.

In addition it is important to differentiate between direct engagement with employers and engagement through intermediaries or "indirect employer engagement". In this research this has been defined as:

Indirect employer engagement is activity that uses an intermediary organisation that represents either employers or other organisations in the engagement process.

2.3 Classifying employer engagement

As the previous discussion shows employer engagement is a term used to describe a number of different activities with different objectives and the existing literature reflects this. It has either focused on:

- engagement activities in specific contexts such as how and where employers access business support services (Bennett and Smith, 2004), or whether supply chains can be used to convey energy efficiency messages to more companies (McKane et al , 2003);
- specific aspects of employer engagement activities such as the exchange of knowledge (Cabrera, 2006) or issues of corporate citizenship (Moon et al, 2005).

There has been no attempt to undertake a holistic approach to classifying different types of employer engagement. However, a Learning and Skills Development Agency (LSDA) review (Macleod and Hughes, 2006) examines the role of employers' engagement with post-16 learning. It segregates engagement into three types: consumer, stakeholder and strategic partner. This research suggests that with one modification this approach can be applied to employer engagement in broader contexts.

The term 'employer engagement' is most commonly used where the public sector provides a product or service to employers who act as **consumers**, for example purchasing training or using business information. Employers are therefore acting as passive recipients of information and services. Examples of this type of activity include:

- Southwark Environmental Business Awards (case study 3) where local businesses are supported to identify activities that can reduce their waste and related costs;
- West Midlands Safety in Business Programme (case study 2) which provides learning materials to help employers introduce crime reduction activities;
- Halton Employment Charter (case study 9) where Halton People into Jobs provide a service to employers that helps them to recruit from the local workforce;

- Welsh Employer Pledge (case study 4) where the Basic Skills Agency and other partners help employers identify the basic skill needs of their employees and develop an action plan to address these needs;
- Train to Gain (case study 1) where skills brokers help employers identify workforce training needs and access training they need.

Most of the guidance and good practice literature in this area focuses on improving the relevance of the product or service to suit the particular needs of individual companies, and on improving accessibility to the product or service. In other words on improving the supply-side to meet employers' needs as a consumer.

Where employers go beyond the role of passive recipient and are more active consumers, helping to shape the product or service which they receive, they act as **stakeholders**. The literature offers examples of this type of employer engagement for both the public sector and trade associations that have similar relationships with their employer members. Examples of this type of engagement include:

- employers completing annual quality monitoring questionnaires about the services they have received from suppliers, such as work-based learning providers (Taylor, 2001);
- involvement in pilot projects such as the National Employer Panel's Ambition project which seeks to prepare disadvantaged people for employment in sectors with skills shortages. Employers were involved in steering groups to help develop the programme (National Employer Panel, 2004);
- involvement in consultations about the services employers receive for example those provided by employer and professional representative organisations (Royal Institute of Chartered Surveyors, 2006 and British Dental Association, 2006);
- involvement in advisory groups to help shape products or services. For example Thanet College's Industrial Professors Scheme (case study 6) where managers or head chefs from leading restaurants and hotels in the area help the college review and develop the curriculum.

The research found it difficult to identify current case studies to investigate in this category as many examples identified had either been undertaken some time ago or had not been started yet. Many of these types of engagement activities appeared to be undertaken over short periods of time.

The role of employers can also be interpreted as a **strategic partner**, when they provide input into planning, strategy and decision making for activities or services they do not directly use or gain any immediate benefit from. Examples include:

- Croydon Local Strategic Partnership (case study 7) where local employers sit on the Partnership Board and various sub-groups which are responsible for reviewing and taking forward local community strategy and development;

- Haringey City Growth Strategy Board (case study 11) where employer members help influence local economic development policy;
- the Employer's Forum on Age (case study 8) where employers have come together with the aim of influencing the emerging age legislation which came into force from 1 October 2006;
- Hampshire and Isle of Wight Local Skills for Productivity Alliance (case study 10) which is a forum of local employers linked to the Regional Skills Partnership which provides strategic influence on local skills and training issues through regional and sub-regional partnerships and initiates local projects;

The research suggests that the LSDA model omits one other important aspect of employer engagement. Employers can also be categorised as **providers** of services which have a public benefit, for example through their corporate social responsibility (CSR) activities. Examples include:

- Investors in People UK Ambassadors (case study 13), who are senior people from a wide variety of sectors that have personal experience of using the Investors in People Standard and have agreed to help Investors in People UK promote its benefits to others. They speak at events, comment to the media and attend networking opportunities;
- Wycombe 4C Partnership (case study 17), which is an initiative to bring together companies in the High Wycombe area to co-ordinate better the provision of corporate social responsibility activities;
- the Welsh Assembly Dynamo Project (case study 16), where employers are recruited as role models in order to promote the concept of entrepreneurship to young people in schools and colleges.

This four-part classification assumes the perspective of the public body. But engagement requires two parties, and employers do not always describe their engagement in the same way as the public body with which they are engaging, even when they are describing the same activity. For example an employer involved in the Northamptonshire Employer Engagement Group (case study 12) thought he was acting as a provider by offering his knowledge and expertise, whilst the LSC considered this activity involved employers acting as strategic partners. "Employer engagement" is language used by public bodies when they want to work with employers. It is not always how employers describe what they are doing. Public bodies need to be clear about this if they are to be successful in their engagement. The employers' perspective is discussed in more detail in chapter 3.

There are five further issues to consider when using this classification:

- there is no hierarchy to these classifications: all are equally valid. There is no linear progression through the categories and involvement in one type of engagement does not depend on involvement in another. For example, employers are acting as providers in the Welsh Assembly Dynamo project (case study 16), but they had a range of previous experiences with some employers already involved with schools or in other education related activities, whilst others had not been involved in any previous employer engagement activities;
- individual employers can participate in more than one type of engagement at a time. For example employers participating in Thanet College's Industrial Professors Scheme (case study 6) attend meetings to advise on curriculum development (stakeholders), provide work experience and mentoring to students and staff (providers) and use the college's training courses (consumers);
- it is most useful when considering specific activities rather than broader programmes of work, since the latter can result in activities that cover more than one category. For example the process of developing a set of National Occupational Standards (NOS) results in employers acting as consumers when they use the NOS, but also as stakeholders when they participate in steering groups to develop the NOS or when they respond to consultations about their content. They may also be involved as strategic partners, for example if they are contributing to the creation of a Sector Qualification Strategy;
- the type of engagement can change over time. As an activity develops and relationships strengthen employer engagement can deepen or broaden. For example a large corporate is developing a long-term relationship with the National Education Business Partnership Network (NEBPN) (case study 15) and it is therefore ready to do things which it would not do otherwise. For example it would not normally have considered a request for financial sponsorship for NEBPN's annual conference, but because of its long-term relationship, it not only readily agreed to provide cash sponsorship, but also actively sought other ways to support the conference which went beyond money alone.
- the classification of employer engagement can also depend on the perspective of the individual, even where they represent the same organisation. For example in the East Midlands Skills Brokerage case study (case study 1) the representative from the LSC considered the programme to be involving employers as strategic partners - helping to raise the skills levels of the workforce. In contrast a business broker considered the focus to be on the employer as a consumer of a training service.

This chapter has discussed the different uses of the term employer engagement and provided a broad definition and classification system. These are used as the basis for the analysis in the remainder of the report.

3. Influences on employers

Summary

- Existing literature has only investigated the rationale for employers' participation in very specific contexts or by examining one or two drivers or barriers.
- There are numerous and inter-linked reasons for employers to engage. The most common relate to:
 - company policy. This might stem from an identified business need or corporate culture. Employers engaged in consumer activities were most likely to be doing so to meet a specific business need;
 - individuals' own interests. These can relate to their professional activity or their wider beliefs and values, but they also need to align with the culture and policy of the employer. Those involved in strategic or provider focused engagement activities are more likely to participate for these reasons;
 - being asked. Employers would get involved more if they were asked – preferably through a personal approach.
- The benefits employers expect can be categorised as:
 - Direct business benefits. A benefit which has an impact on the employer's operations. These are more likely to be immediate and tangible benefits and are given more weight in consumer and stakeholder type activities;
 - Indirect business benefits. Activities which benefit a wider community to which the business belongs. These are often long-term and it is more difficult to establish a casual link to the benefit they receive. These are given more weight by those involved in non-consumer type activities;
 - Personal benefits. An individual employee gets a personal benefit from involvement, related to their personal interests or personal development. These will normally, but not always, align with their employer's business goals and are given more weight by those involved in provider and strategic partner activities.
- The main barrier to employers continuing to engage is time. Other barriers relate to previous experience of how the engagement process was conducted and a lack business benefit or wider impact rather than any external parameter outside the control of the organisation managing the engagement.
- Size, sector and geography are related to a wide range of other factors that impact on whether an employer engages with a specific activity or not. They do not appear to be barriers or influencers in their own right and most appear to be barriers that can be overcome through an effective engagement process.

This chapter draws on the interviews with employers and other research to consider the employer's perspective. Existing literature has investigated the employer's perspective, but in specific contexts or by examining one or two drivers or barriers. For example:

- research by Spence (2003) investigated why owner managers engage in social capital activities;
- an investigation into the rationale for employers' involvement and engagement in Apprenticeships (Hughes and Monteiro, 2005).

This review takes a more holistic approach and aims to identify the most important drivers and barriers to employers' engagement.

3.1 Drivers of engagement

The previous chapter discusses some of the reasons for employer engagement from the public policy perspective, but in order for any engagement to take place employers also have to participate. Understanding the rationale for employers' participation in existing activities can help to identify how more employers may be encouraged to take part and ensure that activities are better tailored to their needs, and hence to successful policy intervention.

The interviews with engaged employers found that there are numerous inter-linked reasons for their involvement and that no single reason dominates. The main reasons were:

- it was company policy to be involved in that type of activity;
- to address a specific business issue the company identified;
- because of a participant's own interest;
- they were approached and it seemed like a good idea.

Nearly half of employers reported that they are involved in an employer engagement activity because they had identified a specific business issue that needed to be addressed. However table 3.1 illustrates that most employers expect their involvement will have some impact on the performance of their business, even if this is not the main motivation for being engaged in a specific activity. This is a common expectation irrespective of the type of engagement. Employers engaged in consumer type activities are much more likely to expect the activity to have an impact on their own business or on employee performance. The range of expectations has important implications for the developing a strategy of how to persuade employers to engage in varying types of activity.

Table 3.1: Area of impact expected by employers as a result of involvement in the specific employer engagement activity

Impact expected by	Type of engagement employers involved in			All
	Strategic or stakeholder	Provider	Consumer	
Most employers	<ul style="list-style-type: none"> Company performance Employees 	<ul style="list-style-type: none"> Company performance Local community 	<ul style="list-style-type: none"> Company performance Employees 	<ul style="list-style-type: none"> Company performance Employees
Some employers	<ul style="list-style-type: none"> Government strategy Local community Own skills 	<ul style="list-style-type: none"> Employees Society Business community Delivery of public services Own skills 	<ul style="list-style-type: none"> Own skills 	<ul style="list-style-type: none"> Local community Own skills
Few employers	<ul style="list-style-type: none"> Society Delivery of public services Business community 	<ul style="list-style-type: none"> Government strategy 	<ul style="list-style-type: none"> Business community Delivery of public services 	<ul style="list-style-type: none"> Society Business community Delivery of public services Government strategy

Although employers involved in strategic or provider-focused activities expect them to have a broader impact, they are generally clear about the business benefits they are seeking from their involvement. These include:

- improved recruitment of the right skilled people as a result of improved training infrastructure;
- networking opportunities for either gaining new business or sharing good practice;
- to raise the profile of the company to customers and potential employees;
- improved skills or morale of employees through involvement in voluntary work or supporting the community they live in.

The rationale for involvement in a specific episode of employer engagement can be as much to do with the interests of the individual approached as it is to do with any specific business policy or need. Comments suggest that these can be an interest:

- associated with the individual's role or area of responsibility;
- in learning a new skill or increasing the individual's knowledge about something, generally work-related;

- associated with the individual's own beliefs or values.

Often it is a combination of these factors that drive involvement. The interests of an individual are more likely to be a reason for involvement in strategic and provider focused employer engagement activities.

The desire “*to give something back*” was a reason expressed by a large number of employers participating in a range of employer engagement activities. This related to:

- helping the business community. Some employers felt they were involved in something that would help other businesses as well as their own and that this was a positive thing, whilst others were keen to share what they believed to be good practice;
- supporting the local community. For some employers this was important because either they lived or had some personal connection with the local community or because they recognised their workforce lived locally;
- helping society more generally.

Often these motivations are difficult to distinguish. For example all Investors in People (IIP) Ambassadors (case study 13) are passionate about the IIP Standard and are keen to share their experience and encourage others to adopt it. But for some the principles behind IIP linked to their wider values and beliefs not only in relation to good business practice, but also in terms of social and moral obligations.

These findings are supported by research in the United States undertaken by McKinsey (2006) which reports that nearly two out of three senior executives who take a leading role in tackling socio-political issues are “*motivated primarily for personal reasons and are usually acting as private citizens*”. However, it is unlikely an individual would be able to represent their employer without at least its implicit consent. In the McKinsey research over half of those involved in these activities report that this “*is integral to their company's approach to corporate citizenship*”.

The culture and values of the company as well as the individual involved are therefore important factors that will influence an employer's likelihood to engage, particularly where the engagement requires sustained involvement or the commitment of more than one person. For example the Employers Forum on Age (case study 8) used a two-pronged approach to gaining employers' commitment to the Forum. It typically sought endorsement from a company's Chief Executive but found that on its own this was insufficient to sustain a long-term relationship. It therefore complemented this approach with a more focused relationship with the relevant middle manager, in this case the manager with direct responsibility for age discrimination issues.

This also highlights the importance of an employer's ability to communicate and manage knowledge and information associated with employer engagement. Knowledge management systems try to elicit and support the flow of ideas and experiences among groups of employees. Cabrera (2006) undertook research with 372 employees from a large multinational to identify variables that may determine individual engagement in intra-organisational knowledge sharing. It found that:

“self-efficacy, openness to experience, perceived support from colleagues and supervisors and, to a lesser extent, organizational commitment, job autonomy, perceptions about the availability and quality of knowledge management systems, and perceptions of rewards associated with sharing knowledge, significantly predicted self-reports of participation in knowledge exchange.”

These processes can be summarised as being associated with:

- vertical communication. For example where a chief executive makes a commitment to support a specific activity such as the Employer Forum on Age (case study 8) this needs to be communicated to other employees who will take forward the activity;
- horizontal communication. For example where engagement in an activity requires the involvement or commitment of other departments such as the Basic Skills Agency's Employer Pledge (case study 4) which requires employers to follow through on an action plan they have agreed with the Agency which often involves a range of employees;
- external communications with other organisations. For example maintaining relations with external organisations even when individuals move jobs or roles. For example one of Thanet College's Industrial Professors (case study 6) had recently replaced a colleague who had represented the company, but subsequently moved on. This ensured that the relationship was maintained.

It is striking that around two-fifths of employers interviewed have participated in activities because someone took the initiative to approach them. Half of these employers had not been involved in this type of activity before. A number of respondents felt that employers would get involved more if they were asked. However, this does not mean that they would welcome more mail-shots or general invitations: they have a preference for more personal approaches. Employers engaged in provider and consumer-focused activities are more likely to have become involved because they were approached than employers involved in strategic activities. There is clearly potential to increase the penetration of employer engagement activities through better marketing activity.

3.2 Categorising employer benefits

The analysis in section 3.1 suggests the benefits employers gain from employer engagement activities can be categorised into three broad categories:

- **direct business benefit.** This is where employers gain some benefit from the employer engagement process which has an impact on the employer's operations. For example improved knowledge or understanding which leads to more efficient or effective business operations either through participation in training, receiving business advice or through the sharing of good practice with others. These are more likely to be immediate and tangible benefits. For example as part of Halton's Employment Charter (case study 9) employers are helped to recruit local people who have been given training in relevant skills. This helps employers recruit appropriate staff;
- **indirect business benefit.** This is where employers participate in activities which have benefit to a wider community to which they belong. This could be a particular business or professional sector, business in general, a local geographical area, or wider society. For example Thanet College's Industrial Professors (case study 6) provide input into course design which helps ensure learners have the skills employers need generally, but they are also improving the pool of labour from which they can recruit. Indirect business benefits are often long-term and it can be difficult for employers to establish a casual link between their involvement and the benefit they receive;
- **personal benefit.** This is where an individual employee gets a personal benefit from involvement in an employer engagement activity either because it relates to a personal interest or development. These will normally, but not always, align with their employer's business goals. For example an employer involved with Leeds Ahead (case study 14) reported that its employees have been involved in local community activities with no obvious business value, but of personal interest to members of staff. The company conceded that involvement may have improved staff motivation, but emphasised this was not a driver behind their participation. Personal benefit is sometimes hidden behind a business rationale.

The interviews suggest the types of benefits emphasised or sought influence the type of employer activity engaged in. For example employers involved in strategic partnership activities expect to get greater indirect business or personal benefit than direct business benefit, whilst employers involved in consumer focused engagement focus more on the direct business benefit. The shaded sections of the matrix in figure 3.1 illustrate the benefits that tend to be given the most weight by employers involved in each type of engagement activity.

Figure 3.1: Employer engagement benefits matrix

		Type of employer engagement			
		Strategic	Provider	Stakeholder	Consumer
Type of employer benefit	Direct				
	Indirect				
	Personal				

3.3 Barriers to engagement

The most common barrier to employers continuing to engage in various activities identified by employers is the availability of time. Individuals have a range of competing demands on their time and they have to prioritise.

A major influence on this prioritisation and the decisions about whether to participate in a particular activity is previous experience. Research by the OECD (2003) shows that employers who have had previous positive experiences of employer engagement were far more receptive to other forms of engagement. A bad partnership experience can put employers off further involvement and have a significant long-term effect (Bloomfield, 2006). Examples of bad experiences provided by employers interviewed as part of this research related to a lack of impact or action as a result of their involvement, poor relationship management, not being provided with feedback, and frustration with bureaucracy and use of jargon.

“I have not heard about any outcomes and a frustrating thing was how long it took to reach a decision about next steps. There seemed to be a lack of commitment for making a decision”

“It was more useful to them than to me - no impact for me.”

“A lack of feedback and action from participation could act for some as a barrier for future participation because if nothing happens or changes as a result why bother doing it”

“It seemed to be a talking shop. I have had no feedback on what resulted or follow up to see how I might be further involved”

“Holistically I think it is important for employers to be involved directly in skills and education issues, but my poor experiences show that there needs to be some feedback. I gave time over two meetings but it all seemed to disappear into a black hole and nothing came out”

“There are clearly a lot of intelligent people working in this area but they seem to be undermined by the bureaucracy and target driven nature of what they have to do. Much of the work seems not operational enough or relevant to business needs, change that and you might see a little difference”

Other factors identified by employers which impact on this prioritisation include:

- the business benefit. A number of employers reported that the “business must come first”. In some cases this referred to balancing time spent on immediate operational requirements with longer term benefits associated with an employer engagement activity. In other cases it referred to choosing engagement activities that have the most direct or obvious impact on their business, rather than alternatives that may have a more indirect benefit.

“Production has to come first ... Have to get the right balance between helping staff and meeting the bottom line”

“Can’t expand [current involvement] as not enough time; the business has to come first”

“Trying to develop the business and it has to come first”

“Mainly because there is not enough time; business priorities have to come first”

- the potential impact of involvement. Many employers were put off because they did not believe they could make a difference.

“It is very difficult for me to see how I can make a difference in the skills issue”

“The potential for this to take over a lot of my time is immense without really having a sense it would make that much difference”

“It’s too complicated and I’m not sure how much difference I could make” (referring to engagement related to post-16 and compulsory education)

“Decision making has to be more cut and thrust, I want to see action as a result of the things I’ve put forward”

“I need to feel that time is worthwhile, instinct is now that it won’t be and would think hard about future participation.”

“We don’t have that much to contribute so concentrate our activities elsewhere”

“Resources are spread thinly. To make a difference there has to be focus on only a few areas”

- a lack of awareness and confusion over which bodies to approach.

“Greater awareness of what is available to get involved in”

“Too many agencies involved and how do I make sense of it all”.

3.4 External influences

The literature identifies a host of forces that potentially influence the engagement process and which could be considered beyond the immediate control of participants. These have been identified by a range of separate studies and reports from an assortment of disciplines. This section considers the importance of the main external factors identified and how they relate to each other.

Within the literature there is little to categorise different degrees of responsiveness in different industrial sectors. Research by Curran (2000) identified some key distinctions between manufacturing and service operations, however, these tended to be a manifestation of a number of other issues such as:

- where the owner or manager lives;
- the firm's ownership;
- the stage of the firm's development;
- legacy and accession issues within the firm;
- the social networks of the owner or manager;
- embeddedness within localities;
- the type of business and supply chain links with which firms are engaged.

Similarly this research found no evidence to suggest that an employer's sector had any specific relationship to their general propensity to engage. For example none of the broadly-based employer representative organisations contacted as part of the research, such as the Chamber of Commerce and CBI, could identify any sectors where they had more difficulty recruiting than others. Nevertheless many employer engagement activities do target specific sectors and some report more difficulty engaging certain sectors. However further investigation suggests this difficulty may relate to the relevance of the employer engagement to the sector. For example:

- the Southwark Environmental Business Awards (case study 4) found that although they are aimed at all employers, those within the environment sector or with high profile eco-friendly images were more likely to participate because they felt their customers expected it;
- the East Midlands Train to Gain Skills Brokerage Service (case study 1) found that some companies are easier to engage than others. They typically find employers working in low value-added sectors and requiring a low skilled workforce are less easy to engage. This partly reflects the fact that they do not perceive a need for the service;
- the CBI and Chamber of Commerce recognised that some employers preferred to be members of Trade Associations because they thought they were more relevant to their needs whilst other employers were members of more than one employer representative body because they each meet their needs in different ways.

A large body of literature has examined how various factors influencing SMEs and entrepreneurs impact on their engagement: for example, geography (Bennett and Smith, 2004), stage of development (Davidsson and Honig, 2003) and personality and character (Kisfalvi, 2002). However, none identify to what extent size itself influences the process of engagement. Some organisations interviewed as part of this research felt that smaller employers were less likely to engage in specific activities because they did not have the resources or time, to attend meetings for example, but as with the issue of sectors, the research found examples of engagement with all sizes of employers. For example a number of very small companies, including the self-employed, are Investors in People UK Ambassadors (case study 13).

The research suggests that size and sector are related to a wide range of other parameters that impact on whether an employer engages with a specific activity or not. However there are two issues to highlight:

- successful engagement appears to depend on choosing the right approach for each employer. This includes using the right language, understanding the business context and identifying the business drivers for engagement. The size of the employer or the sector may be an important influence on the approach. For example:
 - the Dynamo project (case study 16) found that it was important to use the right language, so for example they used the term 'business' rather than 'employer' because many participants do not employ anyone. Businesses reported that they perceive the project to be entrepreneurial and to have a private sector flavour, and that this both attracted them to the project and encouraged them to stay involved;
 - East Midlands Train to Gain Skills Brokers (case study 1) aim to develop a relationship with employers based on opening the door to someone they trust and this can be developed through language, culture and knowing the industry.
- the research was unable to report on the likelihood of engagement. For example an employer representative organisation reported that all sizes of companies had been involved in a specific policy development activity, however they did not formally consider what penetration rate this represented either in terms of number of establishments or employers or proportion of the workforce.

There is some evidence that businesses in their early stages of development are less likely to participate in employer engagement activities unless they are targeted as consumers and the products and services directly support the development of their business. There is no evidence to suggest how old businesses are before they become involved in other types of engagement activities, but the research interviewed one consultant participating in a provider focused activity 18 months after their company had been established. Although this individual felt time was precious and they could not commit to too many activities, or activities that involved long travel times, they did believe there were some business benefits in terms of networking and raising their profile.

The literature also investigates to extent to which the geographic behaviour of organisations (Bennett and Smith, 2004), and how embedded they are in the local community (Wolfson and Friisken, 2000), impacts on engagement. The research identified some issues related to geography. For example:

- the East Midlands Train to Gain Skills Brokerage (case study 1) has identified hot spots (easy target areas) with clusters of responsive firms, but harder areas to crack (cold spots). They report that these cold spots tend to be in regeneration areas where companies rely upon a low-value economy and low skilled workforce and do not want to invest. However Leeds Ahead (case study 14) reports that there are many companies in regeneration areas seeking to support local regeneration activity as part of their corporate social responsibility;
- an LSP reported that it was difficult to engage with large employers that have a regional structure. It did not necessarily depend on the size of the employer as some very large companies have been engaged, but more on whether the appropriate role is based in the local area;
- an employer representative organisation in Scotland thought that it was more difficult to engage with foreign-owned employers where the relevant decision-making capacity is centralised abroad;
- Business in the Community reports that it has more difficulty engaging with companies owned by private equity firms. They believe this is because ownership structures are more removed from the local communities where their work takes place. This view was supported by an employer which had recently returned to being a public company after being owned by a private equity firm. It is now re-establishing its corporate social responsibility programme which had ceased under the previous management.

However, an alternative view is that these issues relate to 'embeddedness' – ie how embedded a company is in a particular geography, or some other type of community, business or social. There is some disagreement within the literature over the extent to which employers are embedded in their local community. For example, Granovetter (2000) highlights the importance of informal local relationships including local civic engagement for small business development. However, challenging the Bolton Committee of Inquiries' (Bolton, 1971) vision of the small firm owner-manager as willing to serve the community, more recent research in the United Kingdom has suggested a distinct lack of local involvement among SMEs (Curran and Blackburn, 1994, Curran et al, 2000). This is partly explained by research that suggests knowledge-based businesses in particular are less embedded in the local community because their networks are primarily virtual.

The current research found a number of examples of employers engaged in activities because of some affinity to a geographic area. The size of this area ranged from Wales in one case, to a small town in another. Discussion within the literature about cultural identity providing a link into the locality and the history of an area, considers a series of understandings between people that provides a common currency, allows interaction and defines boundaries. Research (Moon et al, 2005 and Berger et al, 2006) suggests employers are influenced by this sense of cultural identity and where they can sense or see an issue is within their boundary they seek to be involved. Cultural identity is also related to the concepts of corporate social responsibility and corporate citizenship.

The literature suggests that organisational boundaries define behaviour around accepted relationships and identities and that engagement beyond these boundaries is more constrained. Therefore organisations that have a very tight and defined set of procedures and with an inflexible identity about its role will result in boundaries which tend to resist engagement. Polenske (2004) identifies organisational boundaries associated with cultural awareness, identity of the firm and supply chain links as key influencers on the extent to which a firm will normally do business. Work by Williams (2002) focuses on the skill attributes of people who are able to break-down boundaries and bring about relationships. This research shows that boundaries can be overcome but they require different skills at different stages.

There is a body of literature that discusses trust and associated social capital. This relates to the broader environment that organisations operate within and defines the willingness of people and groups to cooperate and contribute to the greater good even where activities are beyond their normal boundaries. The key for many writers is that social capital is based upon trust and where this is strong, the potential for engagement is also strong (Hauser et al, 2007 and Lorenzen, 2007). Social capital is particularly useful to SMEs because they do not have the institutional capacity of larger companies to respond as effectively to issues such as risk or competition (Spence, 2003). Under these circumstances social capital represents the bonding together of aims and objectives and the mutual support of different employers around a common goal. This requires trust, but also requires a collective consciousness around a shared identity, related for example to a faith, ideology, location or cause.

Linked to ideas of cultural identity and social capital are issues associated with personality and character. The literature primarily focuses on entrepreneurs and owner-managers and highlights the independence of this type of person (Wooten et al, 1999, and Janovic and Christiansen, 2002), their need for control but also their willingness to engage with external institutions where a clear business case can be seen (Kisfalvi, 2002), particularly in relation to innovation and their passion to develop their product or service. It also highlights the lack of significance afforded to formalised management processes, with a clear indication that engagement along these lines will be less successful.

The prevailing economic conditions impact not only on the business case for a particular engagement, but also the capacity to take on new challenges (OECD, 2003). In periods of growth and buoyancy employers are often more receptive to external approaches as they feel they will need additional capacity, new skills and management capacity. Whereas in a downturn the reduced capacity needed by the organisation results in reduced engagement or withdrawal from the engagement process. However, ironically the literature stresses that issues of support and external engagement are possibly more critical in an economic downturn.

Membership of existing networks and the effectiveness of these networks can influence employers' trust and a number of organisations use established intermediaries to engage with employers. For example the Basic Skills Agency (case study 4) uses a wide range of intermediaries in order to encourage employers to take part in the Basic Skills Employer Pledge. The London Annual Business Survey (2004) found important variations in customer satisfaction between the different types of providers of business advice. In general, public sector bodies achieved lower levels of satisfaction than private sector providers. To some extent this may reflect the outcomes of the advice as much as the quality of the support, however it also reflects reputation, trust and the strength of long-term relationships developed, for example those developed accountants.

The importance of the strength of supply chains is reflected in a number of studies. They show that supply chain links are powerful connections that can be exploited to achieve certain types of activity, such as information dissemination, awareness raising, signposting and in certain cases a change of behaviour (Rantavaara, 2005, and McKane, 2003). Research suggests that supply chains are an influence on engagement because of the trust within these networks and their relationship to the business case (Morash and Lynch, 2002, and Li and Lin, 2006). Information that flows through these networks is treated with a level of respect and significance.

Although the literature suggests there are a number of external factors that impact on employers' willingness and ability to engage our analysis suggests that no single factor predominates and few of these are barriers to engagement that cannot be overcome through an effective employer engagement process. The next chapter considers what attributes and processes are associated with successful employer engagement activities.

4. The engagement process

Summary

- Existing literature either examines a specific aspect of the employer engagement process in isolation or provides guides to employer engagement in a particular context. It does not present the processes and relationships that underpin the whole engagement process.
- The research has identified the phases of employer engagement:
 - preparing for engagement. Besides identifying the scope and rationale for engagement, this aspect includes understanding the drivers, constraints, motivation, desired impact and external parameters that may influence engagement as well as the scope of the engagement (ie identifying the numbers and characteristics of employers and individuals targeted);
 - 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 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.
- There are a number of actions that can be undertaken to overcome barriers to employer engagement and to ensure that specific employer engagement activity is successful. Although not all the actions are relevant in all situations, many relate to good marketing and good project management techniques.

This chapter discusses the main processes and relationships underpinning employer engagement activity and identifies factors associated with the implementation of successful employer engagement. Existing literature either:

- examines a specific aspect of the employer engagement process in isolation. For example one specific study may stress the need to understand what makes a successful partnership, but this is just one way of presenting a relationship structure; or

- provides guides to employer engagement in a particular context. For example Macleod and Hughes (2005) provide a guide for training providers seeking to engage employers.

This research synthesises the existing literature and our primary research in order to present the processes and relationships that underpin the whole engagement process. The review considers four phases of the engagement process:

- identifying the scope and rationale for engagement;
- establishing the engagement;
- maintaining the engagement;
- developing the engagement further.

4.1 Preparing for engagement

Chapters two and three highlight the importance of understanding the rationale for any engagement activity from the perspective of both the employer and the organisation managing the engagement. This includes understanding the:

- underlying drivers and constraints;
- potential motivation for participating;
- impact desired from any engagement activity;
- external parameters that may influence engagement.

In addition there is a need to consider the scope of any engagement activity. This includes:

- the types of organisations involved (as discussed in section 2.2.1);
- the number and characteristics of employers involved - depending to some extent on the objectives of the engagement. For example work by EKOS Consulting for the SSDA reports that some SSCs seek deep engagement - strategic influence, and the influencing of key players - whilst others aim to reach larger numbers of employers but with less intensity. The literature suggests that without extensive resources the number of employers that can be engaged in a specific activity is inversely proportional to the intensity of the engagement. Research by Bachelor (1997) examining economic development programmes suggests that greater emphasis on retention of existing employers and less on attracting new ones will increase their efficiency and effectiveness;

- the type of person to engage. This includes identifying the appropriate job role or level within an organisation's structure to engage. The literature indicates that it is possible for different people within an organisation to be involved in different facets of the same engagement, each playing different roles to deliver a cumulative effect (Orts, 2002). It is also possible that the most appropriate person may change dependent on the stage of the engagement process or as the relationship evolves. For example when training providers engage employers it may initially be important to engage with human resource managers, but at a later stage it may be necessary to engage with departmental heads to identify specific training needs and individual employees who receive the training.

This suggests that there is a need to ensure that the organisation managing the engagement has an appropriate targeting strategy. The East Midlands Skills Brokerage Service (case study 1) has segmented employers by various attributes to help with its marketing strategy. They have identified "hot spots" such as East Midlands Airport where there are clusters of firms that they believe are most likely to be interested and "cold spots" such as Corby where there are more businesses working in lower value markets requiring lower levels of skills. They therefore tailor their approach accordingly.

4.2 Establishing the engagement

The previous section considered the rationale for employers getting involved in various employer engagement activities. This section discusses the processes and practices which turn the initial interest into participation.

Both the literature and the case studies highlighted the importance of presenting the business benefits of involvement to employers. This includes identifying specific outputs and impacts resulting from the engagement. Dyllick and Hockerts (2002) emphasise the need for a well-structured, well-presented and effectively delivered case for any type of engagement. Goetzl et al (2002) discussed engaging employers in the issue of employee depression and its impact on business performance and concluded that:

"To engage stakeholders [employers] effectively, the performance approach should be presented as a business issue rather than primarily as a technical issue. The dominant need is for clear communication of the meaning, application and benefits of the performance approach, with emphasis on actual benefits and value."

For some engagement activities it is relatively straightforward to show a direct commercial benefit. For example, an employer making changes to its operations in order to gain a Southwark Environmental Business Award (case study 3) will reduce its waste collection costs. However in other cases the business benefits are less tangible. For example Leeds Ahead (case study 14) matches employers with local community organisations and promotes the fact that participation improves an employer's image amongst potential customers and employees and can therefore help sales and recruitment.

To effectively identify and convince an employer of the business benefits of engagement requires an understanding of the context in which the targeted employer operates and use of the right language. In response, organisations use a range of strategies including:

- developing a range of real-life case studies illustrating where employers have benefited from involvement in such an activity. For example Investors in People UK not only has an Ambassadors Programme (case study 13) through which employers with personal experience of using the IIP Standard promote its benefits to others, but also a Champions Programme where IIP accredited companies act as reference sites for other firms;
- using existing business networks trusted by the employer to provide an introduction. For example, Northamptonshire LSC approached employers recommended by local business groups such as the Chamber of Commerce and Business Link, to invite them to participate in the County Employer Engagement Group which feeds into the Regional Skills Partnership (case study 12);
- employing a broker or another intermediary which is able to relate more closely to the business. For example because the Equal Opportunities Commission has a law enforcement role it tends to find that employers are quite suspicious of engaging directly with it. The Commission therefore works through other agencies like SSCs, and through employer organisations.

The latter two examples also illustrate the importance of trust in engaging employers. Employers need to be persuaded that the business benefits being presented are realistic and achievable and that the activity is of high quality. They are more likely to believe this if the information comes from a trusted source. For example, the Aberdeen and Grampian Gas Survey receives a high response rate from oil and gas contractors and operators working in the UK Continental Shelf because the active support of the local Chamber of Commerce and the relevant trade associations gives it credibility amongst a wider range of employers than if one organisation had initiated the survey on its own.

In order to make a decision about whether to engage it is necessary for employers and organisations managing the engagement to understand the level of commitment required. This includes understanding the amount of time and resources required, and over what period. The research identified three mechanisms used by organisations managing employer engagement to ensure this is understood by employers and to encourage commitment to the activity:

- employers are interviewed to ensure they have the right knowledge and understand the commitment expected. Both the IIP UK Ambassadors Programme (case study 13) and the Dynamo project (case study 16) have formal interview processes for potential participants for this reason;

- employers sign a formal Charter, Pledge or similar document to show they are committed to the principles of the activity. In some cases such as the Basic Skills Employer Pledge (case study 4) employers have to do more than just make a commitment: they have to develop and implement an action plan and are monitored against it. In other cases there is no formal monitoring of the commitment, but the publicity surrounding the commitment or the quality of the engagement activity ensures that employers remain committed;
- employers pay a subscription or a fee to be involved. This is a common model for employer representative bodies and as a result it is much more important to illustrate the business case and the impact of involvement. For example the Employers Forum on Age (case study 8) charges a £2,000 per year membership fee. The Forum needs to show that it still has a useful role now that the age legislation it was originally set up to influence has been implemented.

Some organisations provide financial support to encourage participation. For example Train to Gain offers wage compensation as a hook to get business involved, but a manager of the activity in the East Midlands (case study 1) believes that once the employer realises the benefits of training this becomes an insignificant factor. He believes it is most important that trust is established.

There is no consensus amongst organisations or employers over whether it is necessary to offer financial compensation to employers to cover expenses such as travel, or over the level of compensation. Some organisations believe it shows the employer that they value their time and commitment; some employers believe it is appropriate, or helps to justify their participation. Other organisations are unsure that it is a significant factor in an employer's decision and some employers involved in a provider-focused activity argued that if an employer is looking for financial support to get involved, it shows it is not really committed. Nevertheless most organisations managing employer engagement activities offer, as a minimum, to cover travel expenses, even if employers do not accept the offer.

The relative importance of each of these issues will depend to some extent on the type of relationship. The literature offers a range of interpretations of different types of relationship. For example if those involved are seen as stakeholders then it is possible to see the relationship as one based on investment and risk. How much investment and risk may be used to determine the level of legitimate claim that can be made on the process:

“If people are investing (capital) time into the organisation – this gives them a legitimate claim as they are taking a risk.” (Orts, 2002)

The many different forms of relationship are not mutually exclusive, but examples of the main types of relationships identified by the literature include:

- recipient. This typically involves receipt of information and requires a passive relationship. The issue for organisations involved in this type of relationship is whether it results in change in perceptions, knowledge or action. In one case study (case study 2) employers had previously been sent crime reduction information, but there was no evidence that this had led to any change in their behaviour. As a result a more proactive relationship was established through face-to-face visits;
- collaboration. This involves the direct participation of two or more parties to produce a service or product. Polenske (2004) describes these types of relationships as “the ultimate commitment between two organisations because they involve sharing risks, responsibilities, resources and rewards”;
- consultation. This is where participants provide feedback into a process, for example through completion of a survey or attendance at a focus group or meeting. For example the Northamptonshire County Employer Engagement Group (case study 12) was established by the local Learning and Skills Council to get feedback from employers on a number of strategies and policies including the implementation of Train to Gain. One issue for this group was the time needed to ensure employers understood the issues and language being used;
- partnership. These tend to be based on institutional structures. For example, Greenwich Community College (case study 5) built on previous informal relationships to establish two formal training partnerships with Southwark Cathedral and the Old Naval College at the Greenwich Foundation. The host attractions provide work opportunities for tourism and heritage students from the college, while the college provides training opportunities for employees and volunteers from the employer organisations;
- membership. This is where the relationship is based on vested interests and has obligations for all parties involved. For example employers in Halton have signed the Halton Employment Charter (case study 9) which commits them to considering the employment of local people, and in return Halton People into Jobs works with local people to ensure they have the skills local employers need. One issue for this type of relationship is whether or how obligations are monitored over time. In this case it is expected that a publicly stated commitment is enough to ensure obligations are maintained. In other examples such as the Welsh Basic Skills Employer Pledge (case study 4), employers must develop an action plan and show that they have followed it;
- legal. This relationship is based on statutory and regulatory principles. This can include a typical supplier-buyer contract or other regulatory requirements. In some regulatory cases whilst the roles and responsibilities are clear it can lead to employers being more tentative in the activities they engage in. For example the Equal Opportunities Commission (EOC) is a statutory body responsible for over-seeing equal opportunities issues. The EOC has developed employer networks to foster engagement, but found them very resource intensive for limited reward as employers tend to be quite suspicious of working with the Commission;

- representation. This relationship is based on dialogue with employers or employer representative bodies. To be effective this type of relationship should rely on accountability, a mandate or social capital. An International Labour Organisation report (De Silva, 1997) suggests that employers' organisations can only effectively influence policy if they:
 - are representative of employer interests. If the organisation is not adequately representative, its views will tend to be ignored since they are not considered to be reflecting the views and concerns of employers as a whole;
 - are highly professional and have the staff, knowledge and skills to prepare, support and debate positions;
 - possess the ability to support their positions with relevant data and information.

Employer engagement takes place in different ways. The methods used will depend on the range of factors previously discussed, such as the objective of engagement, the nature of the relationship, the level of trust, the resources available as well as the previous experience and preference of the organisations and individuals involved. Some of the methods identified by the literature include:

- intelligence gathering and collating database information;
- cold-calling, advertising and general marketing, media channels;
- setting the scene and influencing the environment through public relations, conferences, lobbying and networking;
- establishing a set list of regular contacts, groups, meetings or champions;
- hijacking and piggybacking eg using existing networks, social capital and intermediaries, ad hoc meetings and opportunistic networking;
- outreach and embedding in networks;
- strategic and structured research;
- membership including financial or in-kind commitment, professional bodies and representation activities;
- using a legal framework and compulsory activities.

Different methods can be used at different stages of the engagement process. In all but one of the case studies face-to-face employer contact was the main way of getting employers involved in an activity. In some cases this was undertaken alongside other methods such as telesales calling and mail-outs, but the latter provided routes to establishing a face-to-face meeting. These meetings were seen as a crucial stage in the establishment of a good relationship and ensuring that employers understood the activity. For example in establishing the Hampshire and Isle of Wight Local Skills for Productivity Alliance (case study 10) the LSC's manager visited each potential member. He felt a face-to-face meeting was necessary to outline the aims of the Alliance and to gain the employer's commitment.

The Safety in Business open learning business crime course (case study 2) was the only case study where face-to-face contact was not used to get employers involved. However, employers were already known to have an interest in reducing business crime as they had been involved in other related activities. It therefore built on existing relationships.

4.3 Maintaining the engagement

Once a relationship is established it needs to be maintained for the duration of the activity to ensure all participants deliver their commitments. Employers interviewed for the case studies were asked what they thought were the best things about the activity they were currently involved in. They were most positive about the way the relationship was managed and the clarity of purpose of the activity.

"We have been managed particularly well - not too in your face"

"Good atmosphere and conducive to doing things. Informal but effective."

"Very flexible and understanding"

"Helpful and easy to work with - publicly funded but professional"

"Well-attuned to our objectives"

"Knew what it was going to be about and that was what was experienced at the session"

These views were similar irrespective of whether employers were involved in consumer, strategic, stakeholder or provider type of engagement activities.

Employers were also asked to identify the worst thing about the activity they were involved in. Where bad aspects were identified they were similar to the aspects highlighted as being particularly good. Two-fifths, however, were unable to identify any bad aspects, probably because employers with poor views are less likely still to continue with any activity or be willing to take part in the research.

Table 4.1: Best and worst thing about how the case study activity has been run (top five mentioned)

Best things	Worst things
1. How relationships have been managed	1. Amount of resources / time required
2. Clarity of purpose of activity	2. What has been achieved
3. What has been achieved	3. Way the activity has been managed
4. Amount of resources/time required.	4. How relationships have been managed
5. Clarity of own role	5. Clarity of purpose of activity

This reinforces the importance of establishing clear objectives and roles at the beginning of the engagement, ensuring that the engagement activity delivers what has been agreed, and maintaining the relationships. The latter will depend on:

- building on and maintaining the trust established during the initial stages of the engagement;
- ensuring the level of commitment agreed is maintained, but not exceeded;
- reviewing the method of engagement to ensure it is appropriate and that it is achieving its objectives.

A number of organisations have taken an account or customer management approach to manage employer engagement relationships. This often involves an individual providing a single point of contact for an employer and establishing a good working relationship. For example Investors in People UK (case study 13) employs an Ambassador Co-ordinator who not only manages the programme, but also has an important customer care role, ensuring that Ambassadors are not used too often, that they are well prepared for events and that they feel their input is valued. Similarly Leeds Ahead brokers (case study 14) maintain a relationship with the employer even after they have matched them with relevant community organisations. The brokers are then able to address any issues the employer has as well as broker other relationships in the future. This model ensures that:

- trust is established between the employer and the organisation, and the employer feels that its input is valued;
- the individual needs of the employer are better understood and that any problems are identified quickly;
- contacts with the employer are streamlined and that any information provided can be filtered for relevance. Employers are also not over-burdened;
- there is a mechanism for providing feedback or updating employers on progress.

One issue is maintaining the engagement if different people are involved at different stages. When engagement is:

“..actually put into practice, more people, possibly with profoundly differing beliefs, become involved.” (Nelson et al, 1999).

The success of this may depend on the decision-making, information and knowledge systems within employers and the organisations managing the engagement. For example one of Thanet College's Industrial Professors (case study 6) changed jobs, however his replacement maintained the link with the scheme as the employer had systems in place to ensure knowledge about the scheme was passed on. The college was then able to brief the new member about the scheme. This shows the importance of having a communications strategy that will work through the structures of the organisations involved and ensures that the nature of the engagement does not become lost or set aside.

In most strategic and stakeholder-focused activities employers are asked to attend meetings, boards or forums. Everyone interviewed as part of the research wanted to ensure that these meetings were productive. As some of the comments in section 3.3 illustrate, frustration with the way such meetings are run or the language used can dissuade employers from taking part in these activities in the future.

A common response is to hold employer-only meetings to ensure that they focus on getting the views of employers and are neither dominated by other partners nor appear too bureaucratic. Other partners are invited to separate meetings. This has the benefit of allowing employers to set the agenda or make the decisions, but there is often still a requirement to guide employers and to translate public sector documents into business language. For example the LSC found that when it ran the Northamptonshire County Employer Engagement Group (case study 12) it had to spend time translating policy objectives and public sector terminology into language businesses could understand. It also found it had to provide a lot of structure to the meetings and that these were more effective when centred on specific decisions that were needed. This meant the LSC had to be very clear about what it wanted from the group. However there is a danger that this approach can result in employers feeling they are not setting the agenda.

Depending on the aim, engaging employers provides the opportunity to achieve influence over those (or a wider group of) employers or, to act with legitimacy and authority on behalf of employers when attempting to influence public policy. However, organisations have highlighted the importance of being able to show that they can deliver what is agreed or that impact has been achieved if employers are to engage. As the previous section illustrates, a lack of impact can dissuade an employer from participating further. For example, when Thanet College found that its Industrial Professors programme (case study 6) was having less impact on the curriculum than expected and employers reported a lack of networking opportunities, the College refocused the programme and attempted to increase the number of employers involved. The Leeds Ahead CSR brokerage programme (case study 14) tries to manage expectations of impact by discouraging employers from getting involved in over-ambitious projects.

Providing evidence of impact can sometimes be difficult. For example when employers have contributed to the development of a strategy it can be difficult to show what difference it has made, particularly in the short-term. The Hampshire and Isle of Wight Local Skills for Productivity Alliance (case study 10) tries to overcome this by ensuring its role combines an element of direct action, for example setting up an LGV driver training course, with a more strategic influence over LSC and RDA policy. It is easier to identify the impact of the former, which then reassures employers that they are making a difference. Similarly North London Limited, which manages the Haringey City Growth Strategy Board (case study 11), ensured that the Board delivered some 'quick wins' to help employer board members see that they could make changes and achieve results through their involvement.

Not only can the impact of any activity take some time to appear, however, but relationships can take time before they become fully effective (Loza, 2004). The timeframe for developing different types of engagement needs to be taken into account when setting expectations at the start of the engagement process and when measuring progress during the process.

4.4 Developing the engagement

As engagement activity progresses, processes and relationships between the organisations and individuals involved can change. This may be in response to experience, or to changes in the factors driving engagement, or because the engagement activity is coming to an end. Alternatively it may be intentional

In longer employer engagement activities participants may intend processes and relationships to evolve during the engagement or at set stages. For example the Halton People into Jobs programme (case study 9) initially encouraged employers to sign an Employer Charter in order to show their commitment to employing local people and developing their staff. This built trust and engaged employers as strategic partners. The programme now works with employers to help them employ local people. This not only changes the process of engagement but the type of relationship with a greater focus on the employer as a consumer

In other cases, such as Thanet College (case study 6), both employers and organisations managing engagement review their involvement in a specific activity, either informally or through formal evaluation processes and as a result may change certain aspects of that specific employer engagement activity.

In addition employers' participation in a particular employer engagement activity can lead to a deepening of involvement in the same activity. For example an employer member of the National Education Business Partnership Network Business Group (case study 15) subsequently supported the Network's annual conference, whilst some Investors in People UK Ambassadors (case study 13) are involved in the IIP standard in other ways, either through membership of the IIP Board or advisory groups.

These are examples where employers are deepening their relationship with the organisation managing the existing engagement. In some cases involvement in an employer engagement activity can encourage an employer to broaden their involvement in several ways. It is possible the employer broadens the range of activities on which they engage with the organisation to achieve new objectives. The employer could also engage with different organisations to achieve the same or fresh objectives. For example many members of the Northamptonshire County Employer Engagement Group (case study 12) and the Hampshire and Isle of Wight Local Skills for Productivity Alliance (case study 10), both run by the LSC, had previously participated in employer engagement activities with either the local Business Link or Chamber of Commerce. However successive engagements of this type still require a clear rationale and establishment of the most appropriate form of engagement.

Employer engagement processes and relationships therefore do not have to be established solely for a single engagement activity, but can be used as the basis for broader and deeper engagement.

This chapter illustrates that there are a number of actions that can be undertaken to overcome barriers to employer engagement and to ensure specific employer engagement activity is successful. Although not all the actions are relevant in all situations, many relate to good marketing and to good project management techniques.

5. Conclusions

Previous work has examined specific aspects of employer engagement or considered it in a particular context, but not more broadly. This partly reflects the complexity of the relationships involved and the diverse interpretations placed on the concept. The current research has taken a more holistic approach in order to gain an understanding of the drivers and processes associated with employer engagement. It has aimed to.

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

5.1 Defining employer engagement

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. This lack of clarity and lack of a common language makes it more difficult for organisations that work with employers to learn lessons from elsewhere and to understand thoroughly the factors that influence employer engagement in its various forms. To start the debate the research has developed a short glossary of terms.

Table 5.1: Glossary of employer engagement terms

Employer engagement - 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.

Consumer focused engagement – Activity where employers use products, services or information supplied.

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.

Indirect employer engagement – Activity that uses an intermediary organisation that represents either employers or other organisations in the engagement process.

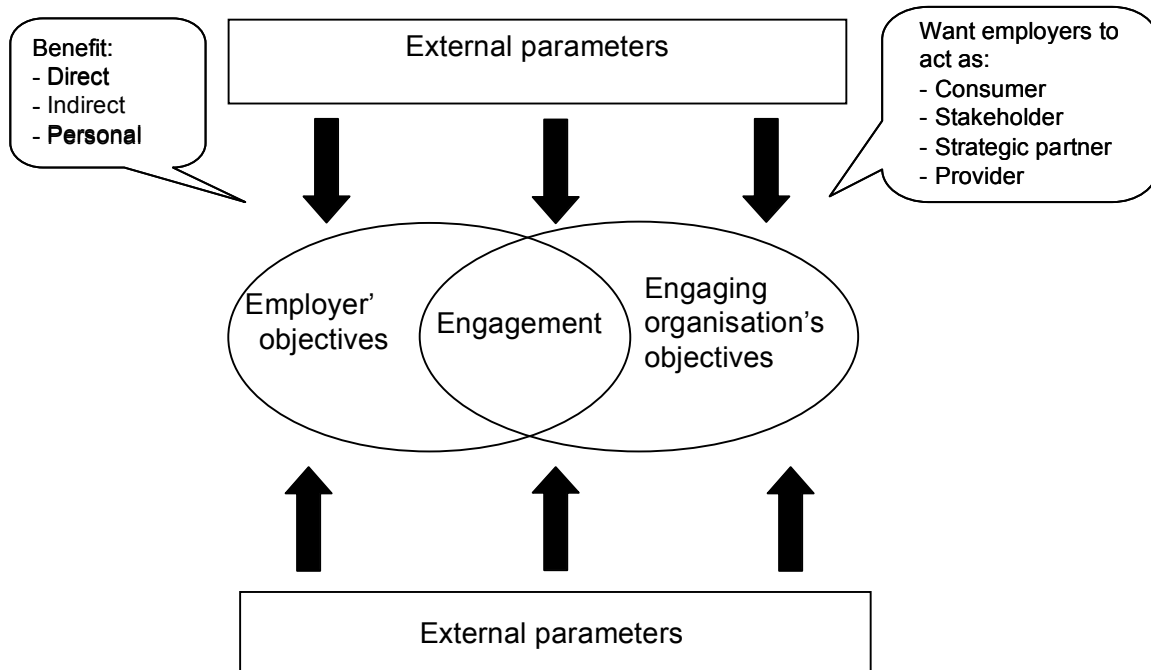
One area within the skills policy arena where greater clarity in the use of the term would be beneficial is in distinguishing between processes of employer engagement and the result of this engagement. The definition above suggests that employer engagement is not employers investing in more training or having business strategies which ensure their employees have the skills they need. These are potential results from employer engagement. Employer engagement is a process or a tool for achieving these results.

5.2 Identifying the drivers of employer engagement

The policy literature provides several reasons for public sector organisations to engage with employers. These can be summarised into the four categories defined in figure 5.1 (consumer, stakeholder, strategic partner and provider). There has been little research investigating employer engagement from the employer's perspective, yet the research suggests it is critical to understand the employer's point of view in order to attract them to the engagement and to keep them engaged. Engagement is a two-way process and public bodies need to consider why employers would become involved and how they would benefit. This is a basic requirement for the marketing of any activity but too often it appears that public bodies forget to look at engagement from the employer's perspective.

Employers primarily seek business benefits from employer engagement activities, but there will also be wider public benefits. The two are not mutually exclusive and where an activity results in both there are strong drivers for the public sector and employers to work together, as illustrated in the overlap in figure 5.1.

Figure 5.1: Drivers of employer engagement



The research suggests employers seek both direct and indirect benefits from employer engagement activities, but that 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.

Any engagement activity also needs to take into account personal relationships. Employer engagement is a relationship between corporate bodies, but one 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. For example allowing an employee to participate in a provider type activity in which they have a personal interest may result in a more motivated employee. However it is often not clear whether the increased motivation outweighs any cost associated with involvement in the activity. Personal benefit is often hidden behind a business rationale.

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

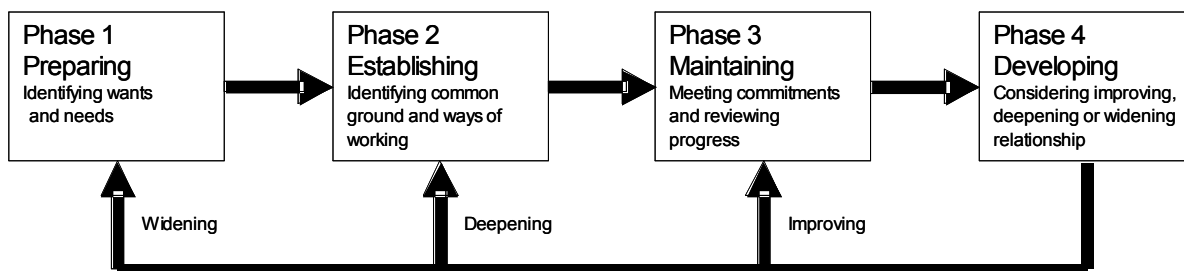
- external parameters outside the immediate control of participants which are often inter-linked. For example, economic conditions, geographic location, size or sector of company and cultural identity;
- factors associated with the engagement process and within the control of the participants. For example, the method of engagement or the level of commitment required.

Understanding the rationale for employers to engage in a particular activity along with appropriate market segmentation can help organisations increase employer engagement penetration and coverage. Employers have their own agendas and priorities and not all will wish to participate in a particular employer engagement activity, but the research found examples of employer engagement with employers across a range of sizes and sectors.

Although the research only focused on engaged employers it identified reasons why employers had been put off engaging in the past, ceased engaging or factors that have limited their current involvement. It found that the most common barrier was time. Important were barriers relating to previous experience of how the engagement process was conducted and a lack of direct or indirect business benefit rather than any external parameter outside the control of the organisation managing the engagement, for example, poor relationship management, little or no feedback, bureaucracy, equivocal business benefits and the activity failing to achieve its purpose. In addition a lack of awareness and confusion over which bodies to approach had previously inhibited the engagement of employers investigated by this research.

5.3 The phases of employer engagement

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 (figure 5.2). As discussed previously it is important that the objectives and rationale for any employer engagement are considered beforehand by all parties involved. This can be considered as the preparation phase. For the organisation managing the engagement process this will also include identifying the scope of the engagement activity, ie what type of employers and how many to involve.

Figure 5.2: Four phases of employer engagement

Phase two involves establishing the employer engagement process. In this phase all organisations involved identify how their interests and objectives overlap and identify how the engagement activity is taken forward. This phase includes identifying:

- the output and impact desired from the process;
- how the engagement will take place;
- the level of commitment and resources required;
- the most appropriate type of relationship eg is it based on membership, collaboration or a statutory requirement.

Once a relationship has been established the next phase is to maintain it for the duration of the process. This phase can be of varying lengths depending on the engagement. For example engagement involving the provision of advice or information may be over quickly, whilst employer membership of a board will be longer-term. Phase three primarily involves participants delivering their commitments and reviewing whether the activity is both progressing as expected and still meeting their objectives. The research suggests that high quality information flows, personal relationships and trust are crucial for this phase of the process. Employers report that they are discouraged from engaging if they do not believe they are achieving direct or indirect business benefits, or making any wider impact or difference.

The final phase can be summarised as developing the employer engagement process and established relationships. This encompasses a number of potential routes:

- improving the current engagement activity. This is part of the general evaluation and review process undertaken as part of the activity and is more common for longer term engagement activities. Participants consider how the engagement activity or the process surrounding it can be improved to meet their aims and objectives better;
- deepening participation in employer engagement. In this case participants build on their existing relationship to identify how they can work together on other activities to meet their identified objectives, for example the Halton People into Jobs Programme (case study 9). This does not necessarily require revisiting phase one as the areas of common interest and the relationship have already been established;

- broadening engagement. In this case participants do not necessarily want to continue to engage in the same activity with the same objectives, but may want to:
 - engage with the same organisations to achieve different objectives
 - engage with different organisations to achieve similar objectives
 - engage with different organisations with different objectives.

In the latter case it is necessary to return to phase one again to identify the rationale and scope for any new engagement but when working with the same organisation efficiencies are clearly possible based on past experience at phase two.

5.4 Processes underpinning employer engagement

No previous research has attempted to map holistically or explore the host of complex processes and relationships underpinning employer engagement. Figure 5.3 has therefore been developed based on the findings of this research. It illustrates the relationships and processes that underpin the various phases of employer engagement presented in figure 5.2. It also illustrates how external parameters outside the immediate control of the parties involved can impact on all phases of the engagement, along with the drivers for and barriers to 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. For example, the internal constraints and drivers that impact on an employer's motivation to engage in a particular activity are likely to be completely different to those impacting on the organisation managing the engagement.

The left side of the engagement process box presented in figure 5.3 illustrates processes primarily associated with planning the engagement activity (phase one), whilst the central part illustrates the processes and relationships associated with establishing and maintaining the activity (phases two and three). Whilst phase one focuses on the rationale for the relationship between organisations, phases two and three rely on the effectiveness of the relationship between individuals. These individuals represent their organisation and need to be in a position to deliver any commitment made as part of the engagement process.

An individual's ability and willingness to participate in any engagement depends on a number of factors such as the commitment required, the intensity of the commitment 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.

The type of relationship used as the basis for the engagement will also impact on these factors and the most appropriate form may strengthen the willingness and ability for individuals to participate in an activity. For example a relationship based on co-operation may strengthen an individual's trust and commitment.

The engagement process will result in outputs and have some impact on the employer and the public good. This will be reflected upon and evaluated more formally at phase three. If the engagement has been successful it will have provided benefits to both parties and these will encourage participation in further employer engagement activity either with the same organisations or others (phase four). It will not always be the case that further engagement activity will take place but if it does the relationship will return to phases 1-3 depending on the nature of the engagement activity pursued.

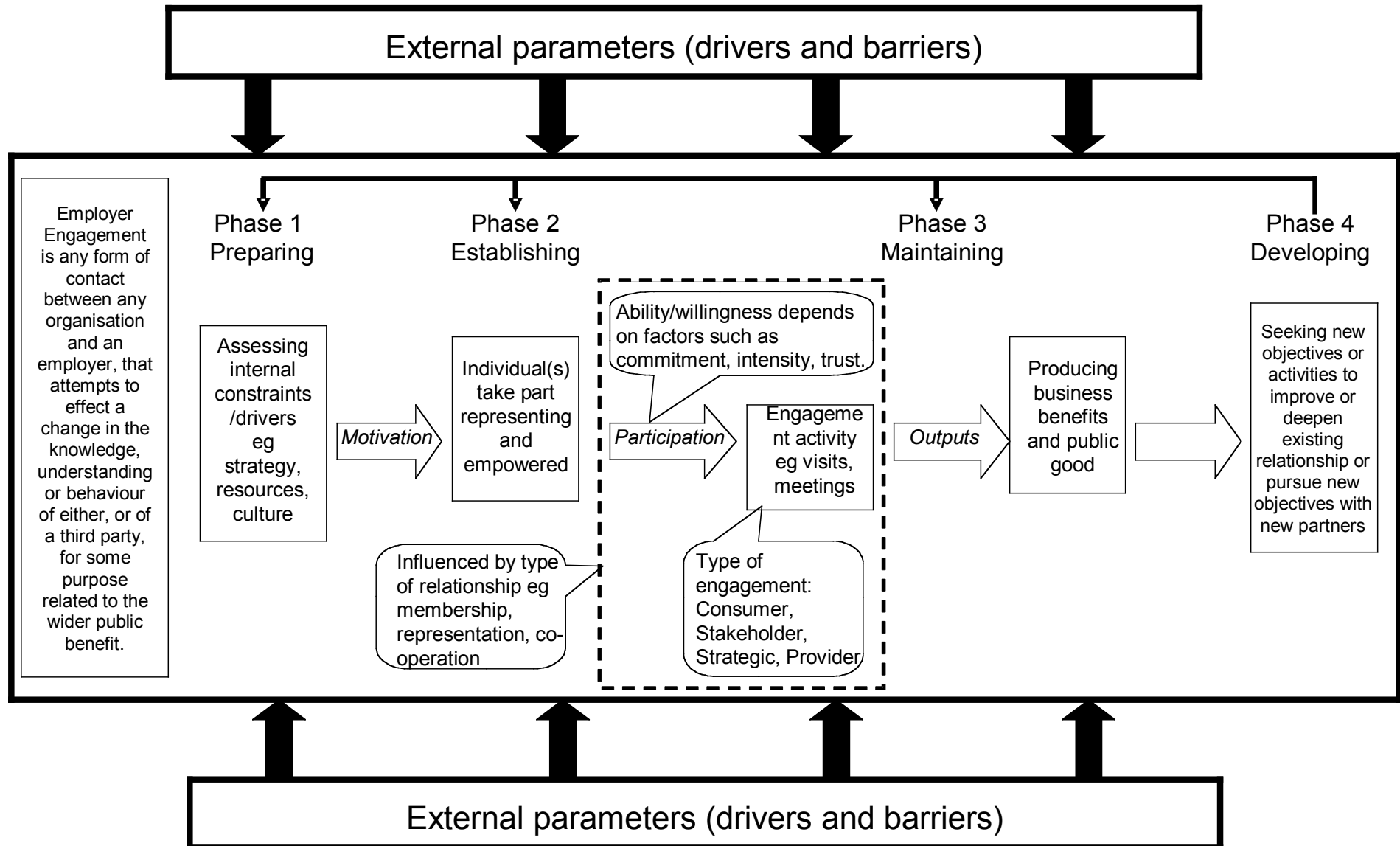
5.5 Further research

This research has for the first time undertaken a holistic review of employer engagement across policy areas and synthesised existing research across the employer engagement process. It has resulted in a model that defines employer engagement and identifies the relationships and processes that underpin the engagement. 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 unpick how the numerous parameters outside the control of participants impact on an employer's decision to engage or to identify which ones are most important in any set of circumstances. This may be because employers are focusing on what they can control rather than the environment in which they make decisions. They may only recognise their decisions and not necessarily the whole range of influences on their decision. This could be investigated further by undertaking detailed case study research examining the various engagement decisions made by specific employers over a specified period. It would also be useful to explore how much this may vary by sector.

The qualitative nature of the study meant that it was able to infer the weight given by employers to different types of benefits when considering different types of employer engagement. A more quantitative study investigating the employer engagement benefits matrix presented in section 3.2 would help organisations managing employer engagement activities to have a better understanding of the types of benefits to promote in relation to a particular engagement activity.

Figure 5.3: Employer engagement processes and relationships



Appendix A – Literature review framework

Reference Key Words

Who	Why	How	Why Not
Employer	Political allegiance	Networks	Time
Manager	Anger – need to act	Referrals	Effort
Owner	Pressured into	Marketing	Can't see point
Business	Financial need	PR	Confused messages
Industry	Representation	Media	Territorial intrusion into owner
Commerce	Direct request	Publicity	manager business
Private Sector	Philanthropic gesture	Direct contact	Culture of independence
Institution	Sounding/advise – solicit	Existing networks/membership	Fear/mistrust of public sector and regulation
Organisation	Statutory requirement	Levy/subscriptions	Dislike of bureaucracy
Corporation	Collaboration	Professional associations	Defending own business
Public Sector	Trade Mission	Financial support mechanisms (banks etc)	Perceived lack of need to engage
Line manager	Delegations	Business Intermediaries	Dislike/mistrust of those involved (public and private)
Section leader	Role model, figure head, captain, leader	Training Providers	Barriers
Chief Executive	Interest – intrigue, appeal	Leisure and recreational connections	Hurdles
Managing Director	Communication, notify	Expert Panels	Task focused
SME	PR	Community activity	Time scale issue
Enterprise	Innovation	Clubs/societies	Conflicting priorities
Concern	Citizenship	Associations	Wrong time for business
Stakeholder	Corporate Social Responsibility	Statutory requirements, business regulations, tax	Previous experience, reputation
Complex	Capacity Building	Surveys and intelligence gathering	Not applicable
Group	Environmental concern	Consultation, review, market research	Language difference
Partnership	Territorial allegiance	Dialogue	Relevance
Complex	Business expansion	Exchange	Lack of feedback
Web	Productivity	Contribution	Clique
System	Management strategy		Wrong communication
Alliance	Legal advise and support		
Coalition	Customer/provider		
Institution			

Hierarchy of Framework

Institutions that are or could be involved:

Sector Skills Councils and associated institutions – Sector Skills Action Teams, Regional Skills Partnerships, Alliances. Business Link
JC +

Broad Area of Engagement	Specific Areas of Engagement	Specific Characteristics for consideration
Strategic Decision Making Policy - development Community development Voluntary Activity Business Development	Transport Economic Development Education and Skills Planning Health and Safety Finance Equal Opps and Diversity (HR) Contracting Business Support Alliance formation Management Social Responsibility Workforce issues Profile development Bidding development/resource generation Area projects/Town Centres Representation/Lobbying	Formalised/Informal Direct/Intermediaries Messages/reputation Context – existing conditions and relationship issues Personalities involved – networks of association or power Reward function for those involved Traded or untraded interdependencies – social networks and institutional links

Using the key words and the framework need to review:

1. Existing areas where engagement happens
2. Evidence of barriers and strategies (good practice)
3. Evidence of specific cases and context of engagement

Appendix B – List of informed observers’ organisations

- British Chamber of Commerce
- Business in the Community
- Confederation of British Industry
- Confederation of British Industry (Scotland)
- Department of Communities and Local Government
- Department for Education and Learning Northern Ireland
- Department for Trade and Industry
- Equal Opportunities Commission
- Health and Safety Executive
- Higher Education Funding Council for England
- Improvement and Development Agency
- Institute of Directors
- Investors in People UK
- Learning and Skills Council
- London Development Agency
- North West Development Agency
- Scottish Chambers of Commerce
- Scottish Enterprise x 2
- Small Business Service x 2
- Welsh Assembly Government

Appendix C – Case study summaries

1. East Midlands Train to Gain
2. Safety in Business
3. Southwark Environmental Business Awards
4. Basic Skills Agency Employer Pledge
5. Greenwich Community College's Training Partnerships/Centres
6. Thanet College Industrial Professors Scheme
7. Croydon Local Strategic Partnership
8. Employers Forum on Age
9. Halton People Into Jobs Employer Engagement Group
10. Hampshire & Isle of Wight Local Skills for Productivity Alliance
11. Haringey City Growth Strategy Board
12. Northamptonshire County Employer Engagement Group
13. Investors in People Ambassador Programme
14. Leeds Ahead
15. National EBP Network Business Group
16. Welsh Assembly Dynamo Project
17. Wycombe 4 C Partnership

1. East Midlands Train to Gain (Skills Brokerage Service)

Policy area: Skills	Type of engagement: Consumer
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Background

Train to Gain is a national programme delivered across England and developed from the Employer Training Pilots. It is designed to help businesses improve their productivity and competitiveness by ensuring that staff have got the right skills to do the best job. It offers a free and impartial service to identify what skills the business needs, matches employers with relevant training providers and courses, can offer a contribution to wage costs (if below 50 employees) and help find funding programmes to cover training costs. In this case, the scheme is managed by the East Midlands Learning and Skills Council, who employ a brokerage service to help promote, deliver and manage the scheme within the region. The LSC works with a brokerage service company to set targets and identify target sectors, engage employers directly and through partners, and to work with providers to offer flexible training packages. The strategic aim is to encourage regional economic competitiveness, whilst locally boosting sustained employability, individual development and firm capacity.

Key messages

Engaging organisation perspective

- The LSC believe the paradox is that business thinks it knows what it needs, in the case of the programme it tends to be money (wage compensation) but once the benefits of training have been realised this becomes insignificant. The money is good as a hook.
- The employer relationship is based on opening the door to someone they trust and this can be developed through language, culture and knowing the industry. It can also be geographically related especially if there is a strong local business community.
- The service has identified hot spots which are areas that are more easy to target as they have responsive firms linked to the business of the local economy, but hardest areas to crack (cold spots) are the regeneration areas with companies that rely upon a low economy, low skills workforce and do not want to invest.
- A multi-channel approach, sharing information and partnership work is essential for successful engagement. Trust is paramount and this can be destroyed by a bad experience.

Employer perspective

- For some employers success is about staff morale and self-achievement in undertaking training and being able to contribute in new ways. This is irrespective of the qualification achieved and is also reflected in the service the organisation offers and ultimately the impact it has upon customers or clients.
- The success from the employer's perspective is also measured in terms of reputation and the impact this has upon their ability to draw in new staff and create enthusiasm amongst existing staff. This is a critical factor for the smaller employer whose reputation is spread through word of mouth within local area networks.
- A good broker is someone who knows about the business, and can understand the skills issue in relation to the development of the business and therefore make the business case.

2. Safety in Business (Business Crime)

Policy area: Non-Skills	Type of engagement: Consumer
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Background

Instead of merely disseminating advice on the issue, the Safety in Business course was developed to encourage employers to proactively engage with the issue of crime prevention through the provision of a relevant training course. The overall objective of the project was to help to reduce crime committed against businesses in the region by persuading employers to embed crime prevention strategies into everyday business practices. The project was led by Government Office West Midlands (GOWM) and developed jointly by Warwickshire Police and De Brus Marketing, who planned and delivered the course. It was designed as a free, short, self-completion postal course to increase its accessibility and improve participation rates.

Key messages

Engaging organisation perspective

- The marketing of the course focused on two 'hooks' and was seen as crucial to the successful engagement of employers given that the issue is often a low priority and very rarely incorporated into business strategies. Firstly, the title of the course *Safeguarding People and Productivity* was used to emphasise that the course could help protect employers' bottom line. Secondly, it was marketed under a health and safety banner because this is a familiar and important agenda to employers;
- The project was targeted at all sectors and types of employees, but the vast majority of those responding to the evaluation questionnaire were from service industries and the majority were middle or senior management;
- A strong lead from the public sector (and strong partnerships between the police and GOWM) was perceived as being crucial to drive the project, provide the rationale and secure funding;
- The project has only been run at a pilot level, but following the positive feedback they have received, the project team have developed plans to roll the product out nationally on a commercial basis.

Employer perspective

- Participants were extremely satisfied with the content and, particularly, the design of the course. The distance learning format was regularly cited as a major factor in persuading people to participate. Furthermore, the positive response to the proposition of a more detailed face-to-face course in the future suggests that once persuaded of the benefits, employers would be very willing to participate in a more demanding scheme.
- Targeting the course at employers already extremely active in field of crime prevention meant that the participation rates were likely to be relatively high. However, even those with an advanced knowledge of crime prevention issues stated that the method of delivery "caused me to stop and think".

3. Southwark Environmental Business Awards

Policy area: Non-skills	Type of engagement: Consumer
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Background

The Environmental Business Awards were set up by the London Borough of Southwark to encourage businesses to act in a more environmentally friendly fashion, specifically in relation to waste and recycling. There are four levels of award available to businesses – Gold, Silver, Bronze and Baseline. These are awarded based on a variety of criteria and allow businesses to advertise themselves as an environmentally responsible businesses with posters and a certificate. They are based on the ‘Tidy Business’ standards produced by ENCAMS, an environmental charity best known for its Keep Britain Tidy campaign.

Key messages

Engaging organisation perspective

- It was important to visit businesses face-to-face as opposed to sending mailings or having telephone conversations. No responses were received as a result of the initial mailings.
- A series of visits was more likely to result in a business signing up than a one off cold call – building rapport proved to be very important.
- SMEs have proved easier to engage with this project because they will see immediate savings as a result of better waste management practices – they get charged for certain amounts of waste collection – and this benefit is pushed as a carrot by the awards team. Non-specific incentives are much less effective.
- They needed to approach the manager in all cases as the businesses needed to make decision about their practices in order to get on the scheme. Other staff could not commit to the changes.
- Some businesses which are already focused on ‘doing good’, eg charities, health food stores, were much easier to engage with than ‘mainstream’ business. This was partly because they are sensitive to environmental responsibility but also because their customers are more likely to expect it from them.
- Some businesses will not engage with the scheme as they immediately associate the council with inspection and regulation. It is usually impossible to make a connection with these businesses. Alternatively some businesses, often run by recent immigrants, are very keen to be involved because they want to do something they think the council will approve of.

Employer perspective

- Employers indicated that they found it a useful way of keeping focused on their environmental priorities, and was even useful for companies that had identified their environmental policies.
- Some also indicated that it was useful for a company operating in an environmentally friendly way to have something to demonstrate that to customers. This can set them apart from a cheaper (in terms of the service offered to customers) but less environmentally responsible competitor.
- The public recognition of environmentally friendly behaviour was an important business benefit of the award. Some employers indicated that one problem was the gap between achieving the award and receiving it: capitalising on good publicity is important.

4. Basic Skills Agency Employer Pledge

Policy area: Skills	Type of engagement: Consumer/Provider
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Background

The Basic Skills Employer Pledge has been developed as part of Words Talk-Numbers Count, the Welsh Assembly Government's Basic Skills Strategy for Wales. It has been designed to get employers engaged in the strategy in order to reach as many adults as possible and to raise the skills of the workforce in Wales. The Basic Skills Employer Pledge means that an employer pledges to *'help employees with poor basic skills to improve these basic skills'*. To get a Pledge Award employers have to do more than just give a commitment. In brief, employers have to produce an action plan and they only receive the Pledge Award when they have developed and implemented an action plan and been through a successful monitoring visit.

Key messages

Engaging organisation perspective

- The number of employers involved is important as this means that the Agency can have more of an impact on the basic skills levels of more individuals. However, numbers aren't everything; it is important that employers understand the commitment. They have to do real activity and must be committed to change.
- Local learning providers, such as colleges, often act as "brokers" between the employer and the Basic Skills Agency. Learning providers and other links and partnerships have helped the Agency to publicise the Employer Pledge and have helped to recruit employers. The Agency has run joint events with the CBI and works with Business Eye, Careers Wales, Jobcentre Plus, the TUC, trade unions, SSCs, the Wales Local Government Association and Learn Direct. These working arrangements have been important to the success of the Pledge.
- The Agency believes that the Pledge is successful because employers are fully supported and see the Pledge as being relevant to their business. The Agency uses real life examples to show employers the business benefits of the Pledge and how skills needs can be identified.

Employer perspective

- For two of the employers interviewed, the Pledge is a small but important strand of an overall employee development strategy. One employer emphasised the importance of the Pledge in helping it to build up very positive partnerships and constructive working relationships with trade unions, primarily through working on implementing the Employer Pledge.
- Some employers seem to be uncertain about the role of the Basic Skills Agency in the Employer Pledge. This may mean that there is a blurred line between the Agency and other third parties involved in the Pledge. This is not necessarily a problem as this blurring of responsibilities could be a very positive factor that helps the Agency to engage with employers. This is because the Agency relies on using third parties that are trusted by employers.
- One employer said that the Pledge has helped them greatly and has been the drive behind what the company has been doing in terms of training and development. Another employer felt that the Pledge has resulted in them undertaking real activity that has made a difference.

5. Greenwich Community College's Training Partnerships/Centres

Policy area: Skills/Non-Skills	Type of engagement: Provider/Consumer
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Background

The Tourism and Heritage department at Greenwich Community College (GCC) has established two training partnerships/centres at Southwark Cathedral and the Old Naval College at the Greenwich Foundation. The host attractions provide work opportunities for tourism and heritage students from GCC, while the College provides training opportunities for employees and volunteers from the employer organisations. In addition to this training partnership, GCC provided additional capital funding for the refurbishment of disused rooms at the host employers' sites to transform them into modern training facilities. These rooms were equipped with smart-boards, laptops and wireless broadband internet access and are used by GCC to deliver on-site training, as well as providing the employers with excellent external revenue generating streams. GCC is in the process of extending the scheme to the Tate Modern, British Museum and the Royal Parks. These additional training centres will be established in 2007, but a lack of space and administrative problems have hindered their development thus far.

Key messages

Engaging organisation perspective

- GCC sees the scheme as an opportunity to further cement their existing relationships with the five host attractions, as well as boost their reputation as a leading provider of heritage and tourism training in London;
- The success of the partnerships with both organisations is perceived to be partly based on the informal relationships GCC had already established with them over the past few years;
- The size of the organisation is also considered a factor in the successful development of the training partnerships/centres. Both the Old Royal Naval College and Southwark Cathedral are relatively small organisations compared to the British Museum and Tate Modern. Hence there are more internal personnel and procurement procedures in place in a larger organisation. Also physical space and resources is a key issue in the development of the centres: if the organisation is unable to provide a 'room' which can be refurbished by the College, then this will hinder any developments.
- The scheme has been deemed a success by GCC: the training rooms are utilised to full effect for training and other commercial purposes and they have received a steady stream of placement opportunities for their students.

Employer perspective

- Both host organisations were extremely satisfied with how the partnership has developed, primarily having entered into the training partnership because of the opportunity it represented to establish a modern revenue generating training facility at no cost to themselves;
- Southwark Cathedral believe that GCC is not currently extracting maximum value from their investment in the project, as it is failing to make full use of the time it is allocated for using the training facilities.

6. Thanet College Industrial Professors Scheme

Policy area: Skills	Type of engagement: Stakeholder
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Background

The Catering and Hospitality Industrial Professors Scheme has been established by Thanet College to improve its links with hotels and restaurants in the county. Industrial Professors are managers or head chefs from leading restaurants and hotels in the area. They meet six times a year to help the college review and develop the curriculum. They also provide mentoring support for staff and students and provide paid work placements for students. There are currently four Industrial Professors, and the college is seeking to recruit more.

Key messages

Engaging organisation perspective

- The college has tried to recruit high profile or well-regarded employers to the scheme as they believe this can encourage other employers to take part. One of their Industrial Professors is an ex-student and they are currently trying to recruit a TV chef.
- The scheme has been running for five years and has been very effective in building close links with employers. It has ensured that there is a good source of high quality student work placements and a number of students have been employed as a result.
- The scheme has helped the college and employers better understand each others needs and the college is now a trusted source of training advice.
- The scheme has been less successful at informing the curriculum. The scheme lost its impetus due to a change in college staff, but has now been re-launched with the expectation that the number of Industrial Professors will grow and broaden in coverage.

Employer perspective

- Employers are mainly taking part because they want to work with the college to ensure the industry has well trained and high quality students and employees. There is a combination of self-interest and a general feeling of wanting to help the industry and the local community. "Being asked to contribute was for me a great honour and it gave the chance to put something back".
- One employer identified value from the networking opportunities, but there was a consensus that a larger group was required not only to improve networking opportunities but also to ensure there is the breadth of industry representation.
- Employers are involved because they are keen to make a difference, but a number were frustrated that their input had often not resulted in action or that the scheme had not achieved as much as it could have. "The scheme needs direction as it faltered before through lack of action by the college".
- Geography may be an issue for one potential Industrial Professor as the college is some distance from where they are based.

7. Croydon Local Strategic Partnership

Policy area: Community Strategy and Development	Type of engagement: Strategic
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Background

Croydon's Strategic Partnership is a 'family of partnerships' comprising of representatives from Croydon's business sector, voluntary and community sectors and public sector agencies. The Partnership consists of: Chief Executives Group; Theme Partnerships and Sub Groups. It is responsible for agreeing the Community Strategy and Neighbourhood Renewal Strategy as well as working to improve the delivery of public services and the co-operation of different agencies. The Partnership Board meets three to four times a year and business is not only represented at this level, but across many of the themed groups, offering venues, advice and funding support to events such as the 'Croydon Summit'.

Key messages

Engaging organisation perspective

- Business involvement is done through a set of mutually reinforcing processes: making them aware of decisions, allowing representation, acknowledging business interests, promoting development and linking into their self-interest.
- The process aims to give employers a sense of ownership and achievement, through providing feedback and monitoring progress indicators.
- The Partnership targets people who have decision making power within their institution such as the finance director, chief executive or managing director. To successfully engage these people it is essential to know their business and personalities, to understand and explain the key issues and to show the business case for involvement. It is also necessary to be consistent, to link activities to the decision making process and to protect employers from the vast range of bureaucracy.
- Employers that get involved are either those with a high profile in the area, "the usual suspects" or those who have a specific need or demand – they want to deal with a particular issue and want the Partnership or (more importantly) the local authority to do something about it.
- Perceptions, expectations, time scales and area embeddedness (or lack of it) are all key barrier issues.

Employer perspective

- Employers get involved in the Partnership for a variety of reasons: they may represent a group, have a sense of duty, want to make sure the voice of business is represented or to raise a specific issue (transport, skills, crime), but it all tends to be driven by some form of self interest.
- The employers involved tended to be grouped into the larger (signature) companies who had a broad investment in the area and had corporate social responsibility capacity and the smaller employers who wanted to deal with a specific issue.
- The local authority has power and can make a difference, therefore from an employers perspective engagement with it (the Partnership) has value and the potential to effect change.

8. The Employers Forum on Age

Policy area: Non-skills	Type of engagement: Strategic
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Background

The Employers Forum on Age (EFA) is an employer-led membership body set up in 1996 with the aim of influencing the emerging age legislation which came into force from 1 October 2006. There are 250 employer members which include many of the UK's top employers. Funded almost completely by employer members, membership provides a source of advice and support for better anti-discriminatory practice on age. Members are able to discuss age issues honestly and openly in a responsive environment.

Key messages

Engaging organisation perspective

- The EFA seeks to provide a very high quality service in order to justify the £2,000 yearly membership fee. The EFA achieves this by listening carefully to members and by responding quickly to their issues. This is enhanced through facilitating networking and investing time in account management.
- The EFA has created a range of products and services, such as factual briefings, training materials and model letters and forms. Many of the products are openly available on the EFA's website, with more substantial products available exclusively to members. In addition it has also done its own background research and proactive work with the media to ensure that the age issue, and EFA's positive approach to it, remain high profile.
- The EFA worked closely with the Department of Trade and Industry (DTI) civil servants to ensure the age legislation was as well designed as possible. It would typically work with civil servants to identify troublesome issues in the developing legislation and convene a small working group of employer members to explore pragmatically what could be recommended back to DTI. Even after the legislation has come into force the EFA has continued to work with DTI civil servants to highlight aspects which are problematic and propose solutions.

Employer perspective

- All employers attributed the key reason for the success of the EFA to the incredible dedication of the EFA team in 'making senior people sit up and listen' in both the member companies and Government.
- Some employers noted that although initial reasons for being involved with the EFA revolved around the recent age legislation, they wanted to continue the same level of involvement post-legislation. Other employers expected a more passive involvement post-legislation, as the main objective for involvement has been achieved, but noted that age was still of interest to them.
- EFA members as a group felt they were more on the same wavelength with each other than with Government. Despite being successful in working with Government to voice opinions and develop policy there was still very much a perception of a public-private divide.
- Most employers expressed a difficulty (and expected problems in the future) in focusing on the age issue specifically, with a need to pay attention to other diversity areas also. Employers also observed the difficulty for SMEs in particular to be involved due to time and resource constraints.

9. Halton People Into Jobs Employer Engagement Group

Policy area: Skills	Type of engagement: Strategic
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Background

Halton People Into Jobs (HPIJ) is a local project initiated in 1999. Central to the project is the Halton Employment Charter which is an agreement between employers and residents to match 'local vacancies with local job candidates'. According to employers there existed a problem in employing local people due to a lack of the right skills and attitudes. Local people complained that there was an issue of applying for local jobs as they did not receive feedback when they were unsuccessful, which led to a reluctance in applying for future local positions. HPIJ sought to remedy this situation working with both parties. The main partner in the project is the local Jobcentre Plus (who sends referrals). There are also various sources of funding including Halton Borough Council, Neighbourhood Renewal Fund (NRF), European Regional Development Fund (ERDF) and European Social Fund (ESF).

Key messages

Engaging organisation perspective

- HPIJ works jointly with local people and employers as equal stakeholders in the voluntary scheme. Local people and employers helped design the Charter and to date over 1,200 employers have signed up with the intention to advertise and promote job vacancies to local people.
- HPIJ has developed from the initial concept of the Charter to fulfil more specific objectives but the central aim to get 'local people into local jobs' has remained the same.
- HPIJ is successful because there are no time constraints. The service provided is personable and support is tailored to find the right candidates for the right jobs. The key lesson has been to listen to local people and employers, using their opinions as a basis to implement policy.

Employer perspective

- Most employers are not particularly knowledgeable about the details of the charter. Before signing the charter employers were more aware of the commitment required than the values and objectives of the charter. Employers were clearer about their role in terms of the working relationship to giving the HPIJ feedback about job applicants, keeping the HPIJ up-to-date about recruitment developments and providing work support for those employed through HPIJ.
- Employers generally have been using HPIJ more as a commercial job agency with added benefits rather than as a public sector scheme. The added benefits include a dedicated service with an emphasis on choosing and preparing the best candidates. HPIJ is performing the function of a private job agency more successfully than other private job agencies, and performing the function of a Government job agency with public objectives more successfully than other government job agencies.
- For some smaller employers there is a desire to work with HPIJ on a more frequent basis, however, the size of the company often means that they have a limited number of vacancies, and therefore the company has no need to avail themselves of the service.

10. Hampshire & Isle of Wight Local Skills for Productivity Alliance

Policy area: Skills	Type of engagement: Strategic
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Background

The Local Skills for Productivity Alliances were established by SEEDA to address local skills and training issues in the South East by bridging the gap between employers' needs and public sector provision. The Hampshire LSPA was set up by the LSC and is considered an exemplar of this approach as it has successfully attracted a range of employers and implemented a series of projects driven by issues they have identified.

The Alliance has a core group of between 25 and 30 employers across a range of sectors. These include representatives from the target sectors of manufacturing, advanced engineering, retail, construction, logistics, information technology, tourism and business services. The public sector partners include LSC, Business Link, SEEDA, Connexions and Jobcentre Plus. The Alliance is led by a Manager (based at the LSC) and a Steering Group which is chaired by the private sector. The Skills Alliance combines an element of direct action in response to employers' skills issues, e.g. setting up of a HGV driver training course, with a more strategic influence through regional and sub-regional partnerships e.g. Local Area Agreements, Partnership for Urban South Hampshire.

Key messages

Engaging organisation perspective

- Potential members of the group were identified through existing employers within the Hampshire Economic Partnership and other targeted sectors. Several were 'second referrals' ie referred by another company currently involved in working with the public sector.
- The LSC Manager would visit each potential member to outline the aims of the Alliance and to gain the employer engagement. He focused on presenting the Alliance as something different to the other, often similar, kinds of public sector engagement ie offering a response from the public sector agencies involved in the skills agenda.
- The manager ensures they chase up non-involvement at meetings and ensure that the employers really are engaged – 'it isn't about just sitting in a meeting'. They are continually deepening the relationships and are moving to getting employers to host visits and meetings.
- They focused on attracting individuals at MD or senior level as they wanted people with a broad context and not just focused knowledge of one or two issues.

Employer perspective

- Employers particularly liked the exclusion of public sector and stakeholder organisations, often found in these forums, from the employers' Skills Alliance meetings – held three times a year. They had to work to secure this and are aware that other Alliances (which are structured differently) do involve non-employers.
- Employers were motivated by a desire to improve the skills of the local labour market and the economy of the local area – the Alliance was particularly appealing as it offers a direct line to the decision makers in the public sector. Most employers acknowledged that they would expect to see at least an indirect business benefit whether from improved access to labour or from improved reputation in the local area.

11. Haringey City Growth Strategy Board

Policy area: Non-Skills	Type of engagement: Strategic
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Background

North London Limited (NLL) is funded by the London Development Agency and works closely with Local Authorities in North London to ensure a business friendly environment for company growth and expansion. The objective of Haringey City Growth Strategy is to drive economic development in Haringey. In order to create and deliver this strategy NLL sought an employer-led Board. The aims of this approach were to: empower businesses to influence economic development policy; to enable employers to inform Council policy more generally; and to help the Council to become more business aware. NLL aimed to engage 18 employers at Director or Senior Manager level and a mixture of SMEs and larger companies. They recruited across the five key business sectors in Haringey: food and drink; creative; retail; leisure and entertainment; and IT. NLL have asked employers to commit to a three year contract to serve as a Board member, meeting 5 times a year.

Key messages

Engaging organisation perspective

- The Board has 18 places, 16 of which have been successfully filled with high level personnel from a mixture of SMEs and larger companies.
- The Board is still in the process of designing a strategy, so has not yet met its overall objective of driving economic development in the area. However, NLL's approach to engaging employers' initial interest and continued commitment has been very successful.
- Some of the key factors that helped NLL to distance itself from any previous bad experiences employers have had include: the involvement of high level Council members, such as the CEO, which attracted employer involvement; making sure the Board delivered some 'quick wins' to help employers see that they could make changes and achieve results through the Growth Strategy; the existing reputation of North London Limited, which helped to recruit employers, who saw this organisation as more business friendly than the Council. These all combined to allow NLL to market themselves as something different.

Employer perspective

- The main barrier NLL faced in engaging employers was employers' assumption that public sector involvement equates to a 'talking shop' experience. This was often related to previous bad experiences. NLL overcame this by careful marketing and assurance that this was an opportunity to form relations with the Council and to achieve change for business prospects in the Council.
- A barrier experienced by one employer was the feeling that public sector organisations exploit successful businesses for their own aims and the businesses themselves do not really benefit. For example, the public sector organisation might use the business to demonstrate partnership working, to use in marketing and promotion and to apply for funding bids, but the business gains little or nothing from the partnership. Again, this was overcome by reassurance that the City Growth is a unique opportunity for a dialogue and to deliver real change in the area.

12. Northamptonshire County Employer Engagement Group

Policy area: Skills	Type of engagement: Strategic
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Background

County Employment Engagement Groups (CEEGs) have been established to feed into the East Midlands Regional Skills Partnership. Northamptonshire CEEG is run by the local Learning and Skills Council and is the only CEEG in the region to engage directly with employers rather than with intermediaries and representative bodies. The group involves 16 employers of all sizes from the LSC's four priority sectors (construction, health and social care, engineering and manufacturing and logistics).

The CEEG meets quarterly for around two hours and meetings consist of speakers and presentations, followed by discussion and consultation on the LSC's proposed plans. The focus has mainly been on Train to Gain strategy and implementation.

Key messages

Engaging organisation perspective

- Potential members of the group were identified through the Chamber of Commerce, Business Link and existing LSC employer contacts. The LSC had more difficulty than they expected recruiting employers to the group and found that it was important to clarify the purpose of the CEEG and to identify exactly what contribution was expected.
- The LSC had to spend time translating policy objectives and public sector terminology into a language businesses could understand and to explain what various policies and activities meant for businesses like theirs.
- The LSC found it had to provide a lot of structure to the meetings and that they were more effective when centred on specific decisions that were needed. This meant the LSC had to be very clear about what they wanted from the group.
- The group helped the LSC give more weight to their plans and several elements of the policy were altered to reflect employers' opinions.

Employer perspective

- Employers took part because they had a personal interest in the policy field, they wanted the opportunity to network or because they wanted to contribute to the local economy or their own sector or profession.
- Employers were keen to have their voices heard and were mainly motivated by the opportunity to use their skills to make a difference. They did not want to be part of a talking shop. Some employers felt that they helped but others thought their opinions had not been taken into account. The former appeared to have had more experience of working with the public sector in this area and recognised changes take a long time.
- Some employers felt that it was difficult to get clear messages across when different sectors represented on the group had such different concerns and agendas.

13. Investors in People Ambassador Programme

Policy area: Skills	Type of engagement: Provider
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Background

Investors in People Ambassadors include around 100 senior people from a wide variety of sectors that have personal experience of using the Investors in People Standard and have agreed to help Investors in People UK promote its benefits to others. They speak at events, provide comment to the media and attend networking opportunities.

An Ambassador Co-ordinator manages the programme by matching speakers to events and by helping Ambassadors prepare for them. Ambassadors have the opportunity to attend free media and presentation training, get invitations to key Investor in People events and receive a weekly e-mail with up-to-date information on the Standard.

Key messages

Engaging organisation perspective

- Potential Ambassadors complete applications and are interviewed to ensure that they understand what is required and that they are motivated, good speakers and believe in the values associated with the Standard. This method filters out individuals who are seeking to use the role as a platform to sell products or services.
- Ambassadors are valuable to Investors in People UK because they raise the profile of the Standard, are passionate about its benefits and generate leads. However, they recognise that Ambassadors are all senior and busy people and the Co-ordinator has an important customer care role, ensuring that Ambassadors are not used too often, that they are well prepared for events and that they feel their input is valued.
- Investors in People UK believe that part of the reason for the success of the Ambassadors programme is that they ensure it is a two-way relationship. Ambassadors promote the Standard but Investor in People UK show their appreciation by providing exclusive services and involve them more closely in the development of the Standard.

Employer perspective

- All the Ambassadors interviewed are involved because they are passionate about the benefits of the Standard and want to encourage more employers to be involved. Some also identified networking and profile benefits but this was not the driving factor.
- They find the support provided by the Ambassador Co-ordinator to be very useful not only because it means they do not have to worry about the administration aspects of attending events, but also because they feel they are well briefed prior to any presentation. A number of Ambassadors felt they could be better informed about the make-up of the audience.
- All felt the weekly e-mail briefs were very useful, and one of the Ambassadors who had undertaken the media training offered felt he was now better prepared to speak to the media if needed.

14. Leeds Ahead

Policy area: Non-skills	Type of engagement: Provider
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Background

Leeds Ahead is an initiative which helps to get private businesses involved in local regeneration in the communities within Leeds. It began as a Business in the Community project with Neighbourhood Renewal funding with the aim of increasing private sector involvement in many kinds of regeneration projects. It has since won ERDF funding and when that came to an end it became involved in Leeds' successful Local Enterprise Growth Initiative bid.

Key messages

Engaging organisation perspective

- Leeds Ahead consider their success to be partly a result of tapping an abundant market – companies looking to do something in the community and community groups looking for all kinds of help from the private sector.
- They recruit businesses in a range of ways. Demand is such that many employers will self-refer once they find out about the brokerage service. They do also approach businesses in a targeted way. They consider the key lesson here to be making the business case for getting involved and not the 'it's the right thing to do' approach. (Although many businesses tell them they are getting involved because it is the right thing to do).
- The brokers maintain regular communication with both employers and community groups in order to effectively manage expectations and identify any problems at an early stage. They also avoid overly ambitious projects (particularly with first time employers) as failure can be a barrier to keeping businesses interested.
- They judge who to approach within a company on the basis of what activity they are hoping to link the company with. For example, for governance issues it would be senior managers or the managing director, whereas for skills projects it might be human resource staff.

Employer perspective

- Employers indicated they were involved because they wanted to give something back. Most also acknowledged that there was a business benefit, eg the larger businesses with CSR departments have staff who want to be given time to do these activities. The employer therefore gets a recruitment and retention benefit from offering the opportunity. In the case of some of the smaller business which had been based in the area for a while they were more focused on maintaining their reputation as a good local business.
- Employers like the structured approach of the Leeds Ahead system – matching what both sides want to get out of it. The wide range of options available on their 'menu' of community initiatives is also seen as a positive thing.
- The brokerage approach is seen as an effective way to reduce the time businesses need to spend on the set up and bureaucracy of the process. Employers praised the way the brokerage reduces the level of commitment required from them to make activities and projects work.

15. National Education Business Partnership Network Business Group

Policy area: Skills	Type of engagement: Provider
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Background

The National Education Business Partnership Network was established in 1998 to provide a voice for the Education Business Partnerships (EBPs) and services to member partnerships in England, Wales and Northern Ireland. EBPs (usually so-called, but with many variants on the name) work in a wide range of ways to enable education providers (mostly schools) and employers to work together effectively, for example by co-ordinating work experience.

The Business Group has around 25 members, drawn primarily from large employers. Membership includes “representatives of the Skills for Business network” as an additional category (three SSCs are members), as well as representative bodies such as IoD, CBI and Federation of Small Business, and observers from Government Departments and agencies (DfES attends). Employers form the majority.

Key messages

Engaging organisation perspective

- NEBPN invited the group to agree a list of possible activities, including:
 - contributing to the development of national strategy - eg 14-19 agenda, Work Related Learning, Enterprise, Diplomas - concerned with skills and young people
 - highlighting issues of concern to business posing barriers to better WRL activities
 - sharing, celebrating and communicating best practice
 - promoting the importance and activities of all EBLOs
 - contributing to work-related learning research and developing impact measurements.
- In practice, members of the group also form a panel of interested employers on whom the NEBPN Chief Executive calls on occasion for support. For example, several actively supported the network’s December 2006 Annual Conference, with cash, and in various other ways.

Employer perspective

- Involved employers put their own learning high on their list of reasons for being involved. One major regional company relishes the opportunity to share good practice - and to learn from others. Another praised the opportunity to share ideas with others.
- One international company’s Corporate Social Responsibility team had long worked with local EBPs, but was looking for a more certain way of being as useful as it could be, and a less labour intensive way. NEBPN’s national business group therefore appealed as an intermediary through which the team could get guidance on how this firm could be most useful in supporting EBPs. This company, and a close competitor, have both since given extensive pro bono support to NEBPN.
- Some member companies value the opportunity to get frank briefings on national policy on work-related learning, and the related opportunity to influence it, directly (because the relevant civil servant is an assiduous attendee) and indirectly, through briefing NEBPN’s Chief Executive for use in his other meetings.
- All the companies valued NEBPN’s enthusiasm, and its tailored invitations to support particular initiatives which fit with the company’s own priorities: “they take an interest in us”.

16. Welsh Assembly Dynamo Project

Policy area: Skills	Type of engagement: Provider
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Background

The Dynamo Project is part of a programme of entrepreneurship education designed to promote the concept to young people and give them the confidence to consider business creation as a future option. The main aim of the project is to increase the business start-up rate in Wales (which is significantly lower than the rate in England). This involves recruiting entrepreneurs as “Role Models” to go to schools, colleges and other environments to “spread the word” about entrepreneurship. The project aspires to make constructive links between local business people and educational institutions.

Key messages

Engaging organisation perspective

- The Welsh Assembly Government sees the Project as a tool to build further relationships with employers and to provide it with a real dialogue with the business community. It is also hoped that the Role Models benefit from meeting other entrepreneurs and form links with employers outside of the network.
- The engagement of business owners in the programme is seen as a key element of presenting the ideas of “entrepreneurship”. They are best placed to share experiences, successes and challenges with future generations. Recruiting local Role Models seeks to address issues of confidence amongst young people and promote local success stories.
- Although any businesses can be involved in the project, targeting has taken place to try and engage those that are not normally part of business networks. There is a good gender balance and a good representation of younger people and relatively new businesses.
- The potential of the network of Role Models to form business networks and to learn from each other are thought to be factors that motivate the Role Models to sustain their involvement in the project.

Employer perspective

- The Dynamo Project has captured the imagination of the entrepreneurs that it works with. This is because they strongly believe in the aims of the project and believe that it does make a difference. They also feel that they have an important role to play in helping to develop the economy of Wales.
- Employers view the project as successful and effective. They also have very positive views of the management of the project, because they see that it has been responsive, flexible and well-run.
- Two interviewees spoke very positively about how quickly and aggressively the project has been developed, comparing it favourably with how a private sector business would be run. In other words, the project is seen to be entrepreneurial and to have a “private sector flavour”.
- Employers do not appear to participate in the project because of the networking opportunities or to contribute to policy developments. It is likely that if the project had been sold in this way then participation would have been limited. Employers have participated for purely altruistic reasons, and possibly because they have been approached.

17. Wycombe 4 C Partnership

Policy area: Non-skills	Type of engagement: Provider
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Background

Wycombe 4 C Partnership is an initiative to bring together companies in the Wycombe area to better coordinate the provision of corporate social responsibility activities. This started life as Wycombe Business in the Community and has been funded by SEEDA as part of the Thames Valley Area Programme – an initiative tackling deprivation across the Thames Valley. The initiative is still in its early stages having recently emerged from an extended set-up phase.

Key messages

Engaging organisation perspective

- Wycombe District Council took the lead on developing this partnership but they made a point of securing specialist help through Business in the Community consultants to take the lead on approaching the businesses and securing their involvement. They also retained them for the initial set-up period when the board was meeting for the first time and agreeing principles and objectives.
- Appointing a co-ordinator for the project was identified as an important step as it would provide a focus for the activity and help prevent drift.

Employer perspective

- Several employers were encouraged to get involved by the presence of the Council within the project: they saw this as an encouraging sign that it was a genuine initiative with some force behind it.
- Similarly several employers were encouraged by the presence of significant local businesses on the group. This also added a stamp of authenticity and purpose to the project.
- The workshop which was set up near the start was seen as a very positive step that allowed a shared vision and an agreed set of principles to be established.
- The ability to be targeted in the assistance provided is also seen as an advantage. Companies can choose the interventions they participate in – often those which match their core competencies.
- Several employers see themselves as community based businesses and were motivated to get involved because they wanted to give something back to the community and be seen to be a responsible business in the area.

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SSA State of Play Report

Working Futures 2004 – 2014 : National Report

Working Futures 2004 – 2014 : Sectoral Report

Working Futures 2004 – 2014 : Spatial Report

Working Futures 2004 – 2014 : Qualifications Report

Working Futures 2004 – 2014 : Technical Report

The Sector Skills Almanac for the UK, 2007

An abstract graphic composed of numerous thin, overlapping green lines that form a large, stylized, swirling shape resembling a letter 'S' or a similar curve. The lines are densely packed in some areas and more sparse in others, creating a sense of movement and depth. The background is white with a faint, light green geometric shape (a large triangle) behind the main graphic.

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.

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