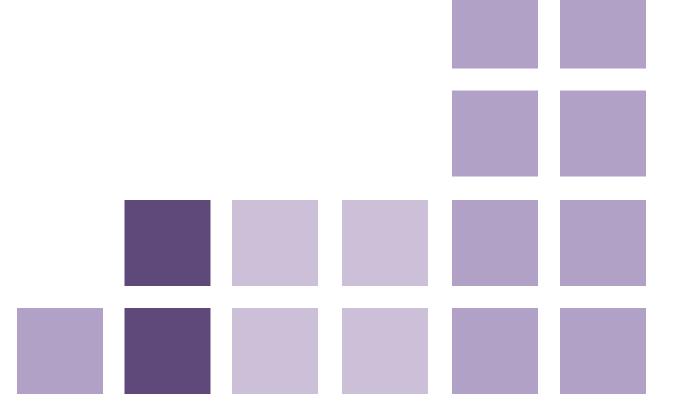


# Tackling unemployment, supporting business and developing careers

May 2012



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# TACKLING UNEMPLOYMENT, SUPPORTING BUSINESS AND DEVELOPING CAREERS

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## **Executive summary**

The issue of unemployment remains high on the political agenda. However, there is evidence that employers can be wary of employing people who are out of work. Employer practice is key, both in terms of providing employment opportunities to job seekers, and in providing space for low-skilled people to develop their skills and cement their attachment to the labour market. This report discusses the role of career guidance in mediating between job seekers and employers to allow both to achieve their objectives.

The report explores the relationship between employers, career guidance professionals, and job seekers, and identifies the ways in which all parties can advance their own agendas'. Ultimately, it is hoped that the creation of these action spaces can contribute to broader policy agendas on re-engaging workers in the labour market and on supporting economic growth and productivity through maximising the potential of the workforce.

The report takes a broad view of 'career guidance', drawing on the OECD (2004:10) definition. Within this definition, a wide range of information, advice, counselling and learning interventions are recognised as constituting career guidance where they are focused on the individual's management of their lifelong relationship with the worlds of learning and work.

The findings presented here are based on a literature review, a call for evidence from employers and intermediaries, and a series of case studies. A companion publication has also been produced entitled 'Developing Business, Developing Careers', which presents these findings for an employer audience. The core term used in the companion publication is 'career development', as a term more familiar to this audience.

#### Government's role in the labour market

Successive UK governments have viewed managing unemployment as a policy objective, although they have pursued a range of different strategies in order to achieve this. Since the 1980s it has been possible to characterise much government policy in this area as 'active labour market policies'. The idea of activation shifts some of the responsibility for unemployment from government and relocates it with the individual. Active labour market policies have included a range of measures which seek to act on both supply and demand in the labour market.

Four main themes in active labour market policy can be identified: incentive reinforcement, employment assistance, occupation and human capital. Career guidance has increasingly been seen as an important component of active labour market strategies and has the potential to interact with all four themes.

#### **Current policy**

The Coalition Government has undertaken a considerable reform of active labour market policies since coming to power in 2010. In particular, reforms have taken the form of redesigning the benefits system (incentive reinforcement) and overhaul of the infrastructure that supports employment assistance, occupation and human capital. Key initiatives in the development of the support infrastructure include the creation of the Work Programme and, in England, the launch of the National Careers Service. In other parts of the UK the infrastructure that supports active labour market policy is also being reconceived although not as radically as in England. Wider Government policies on deficit reduction are shifting the context within which its active labour market policies are operating.

#### Understanding the unemployed population

Official figures show that unemployment is currently high. However, official unemployment figures tend to under-represent the actual levels of worklessness. Furthermore, unemployment and worklessness are not experienced evenly across the country or across different demographic groups within it.

There are a number of studies that have sought to develop instruments to assess distance from the labour market and to use these measures to help understand and direct support to the unemployed and workless population. In general, these instruments measure the individual's skills and attitudes, in order to assess their ability to make a successful transition to work. However, it is important to recognise that securing employment is a matter of labour market opportunity as well as the possession of appropriate employability skills.

#### Understanding the range of employers

In considering the role of employers, it is important to recognise the high level of diversity that exists within this group. Employers' diversity can be characterised in terms of the size of the organisation, the sector(s) they work in, their product-market strategy and their business philosophy. In addition, it is important to recognise the range of individuals who lead organisations and shape their policies and orientations to the labour market. All of these diverse factors shape the ways in which employers might engage with career guidance, the labour market and job seekers.

#### The roles of employers in relation to job seekers

Active labour market policy has often been designed without the involvement of employers despite their crucial role in the labour market. To address this, the current Government included employer engagement as one of the criteria on which tenders for the Work Programme were evaluated.

Active labour market policies have tried to engage employers with job seekers through a variety of forms of work experience including voluntary work, work placements, intermediate labour markets and internships. These work experience programmes form an example of an action space in which employers, job seekers and career guidance providers can all operate. Career guidance is commonly included as a component of a work-experience programme, and seems to strengthen programmes where this is the case.

#### The roles of career guidance

There are a wide range of bodies which might deliver career guidance, including publicly funded careers and employment services, learning organisations, and community and voluntary-sector bodies. In addition there is a broader career support market where career guidance and related services are delivered online and by a range of private-sector bodies. An important sub-set of career guidance activity is concerned with the delivery of career guidance within the workplace, either by employers themselves through human resources or workforce development functions, or by trade unions (e.g. through Unionlearn) or professional associations.

Individuals' engagement with career guidance is shaped by the context in which they encounter it and the level of voluntarism or compulsion that has brought them to engage with it. There is evidence that career guidance can help individuals to make successful transitions, achieve positive labour market outcomes and engage in lifelong learning. This is particularly true if career guidance is combined with opportunities for individuals to develop their skills and explore potential employment options.

Career guidance is something that individuals may wish to seek out at different points in their life journey. Each time they access it, their needs are likely to be reframed; however, ideally this will be as part of a progressive process of personal career development. This idea of a career, supported by career guidance, as an ongoing developmental process aligns well with human resource management ideas about the need to invest in and manage workforce development. While career development and workforce development are not the same, it is possible to see an action space in the overlap between the two which both individuals and their employers can commit to, possibly through engaging with career guidance.

It is possible to understand the objectives of career guidance in a range of ways: for example, to recognise that it has aims related to improving the efficacy of the labour market, supporting social equity and supporting the development of human capital. In practice, these aims can sometimes be in tension, and it is common for policy objectives or economic conditions to cause one or more of the objectives to be emphasised. It is also possible to construct a range of other objectives for career guidance linked to different political and philosophical positions, e.g. to foster the development of enterprise, to promote lifelong learning, to engage individuals with their community, and/or to encourage active management of work/life balance. Furthermore, in times of high unemployment, career guidance may also have a role in helping people to invest their time wisely and productively in non-work activities that might sustain or enhance their employability.

#### Action spaces for employers, career guidance providers and job seekers

For employers, career guidance providers and job seekers to collaborate successfully in relation to set policy objectives, this report proposes the concept of action spaces within which each stakeholder can pursue its own agenda. The report goes on to define five main such action spaces, as follows:

- Influencing the labour market.
- Recruitment.
- Workforce development.
- Redundancy.
- Community engagement.

**Influencing the labour market** describes activities through which both employers and career guidance providers seek to shape the development of the labour market. This might include attempts to influence both supply and demand. A sizeable minority of employers who responded to the Call for Evidence are involved in this action space, generally working in partnership with Jobcentre Plus, recruitment agencies and learning providers.

**Recruitment** describes how employers and career guidance providers typically collaborate in relation to recruitment processes. This ranges from employers providing vacancy information to career guidance providers, to employers using the premises of career guidance providers to engage with job seekers. Employers who responded to the Call for Evidence were generally involved with this action space where they had vacancies to fill. **Workforce development** describes ways in which career guidance can inform employer practices within the workplace. Unlike the other action spaces, this is not normally about the relationship between the employer and a third-party provider. In this case, career guidance refers to a set of practices that are typically driven from human resources or workforce development elements of the business. The majority of employers who responded to the Call for Evidence were involved with this action space.

**Redundancy** describes activity related to the process of managing business restructuring and supporting staff through the process of redundancy. There is a strong tradition of employer engagement with external career guidance providers as part of redundancy strategies and managing organisational change and decline. A minority of employers who responded to the Call for Evidence were involved in this action space.

**Community engagement** describes how employers engage with job seekers and unemployed people as part of their wider strategies related to the community in which they are located. Employers may use this engagement to provide opportunities for employee skill development, already reviewed as part of the workforce development action space. But this action space also has the potential to provide reputational advantages and fulfil aspirations for corporate social responsibility. A minority of employers who responded to the Call for Evidence are active in this action space.

#### Characteristics of good practice

From the Call for Evidence and the case studies, it is possible to suggest some characteristics of good practice in relation to the role of employers in career guidance. These include the development of productive relationships between employers and intermediaries, the employer's approach to human resource development, and an understanding of the benefits that can be realised through employer engagement with career guidance.

The Call for Evidence suggests that the main factor that led to the establishment of effective action spaces was the creation of a productive relationship between employers and intermediary organisations. This relationship develops around the exchange of labour market information; if the experience is valued by the employer(s) and intermediaries, they may choose to continue or develop it further.

Employers responding to the Call for Evidence also identified their own approach to Human Resource Development as an important pre-condition for the creation of an effective action space. Employer practice including coaching and mentoring, performance management, development reviews, opportunities for learning (including informal and accredited learning)

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and succession planning can all have a positive impact on recruitment and retention, that benefits both the individual and the organisation. Employers can adopt one or more of these approaches, however, they are most effective when they form a coherent programme rather than as a series of activities undertaken in isolation.

The Call for Evidence also suggests that successful action spaces are underpinned by an awareness of the process and benefits associated with career guidance as a prerequisite for engagement in such activity. This is important both for the initiation and sustainability of career guidance interventions. Both employers and intermediaries responding to the Call for Evidence suggested that employers more generally need to be made aware of the processes and benefits associated with career guidance.

#### Issues arising from the research

A number of key findings emerge from the examination of the literature, combined with the empirical work with employers and intermediaries. These include the following key findings:

- There is considerable potential for career guidance to play an important role in connecting job seekers and employers and in supporting sustainable employability.
- There are five action spaces where employers, career guidance providers and jobseekers are likely to realise mutual benefits (influencing the labour market; recruitment; workforce development; redundancy; and community engagement): employers that participated in the work reported activity in each of these action spaces.
- Employers' ability to develop effective relationships with intermediaries, their human resource development policies and practices, and a mutual understanding of the benefits of career guidance are crucial determinants of whether effective action spaces can be created.

In the light of these findings, the study identifies a number of issues for consideration by employers, career guidance intermediaries, and researchers and research funding bodies.

#### For intermediaries

- What levers exist to engage employers in career development?
- How can intermediaries help to improve employers' understanding of the nature and value of career guidance?
- Do alternate forms of career guidance practice need to emerge to maximise the potential of the action spaces?

#### For employers

- Could employers realise business benefits by attending to the career development of employees as part of their human resource development approach?
- How can employers improve their understanding of career guidance and the providers that they may work with?
- How can employers build on existing practice within their organisation to enhance their capacities for career development?

#### For researchers and research funding bodies

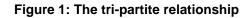
- Is further research required to explore relationships that may exist between the characteristics of employers and their orientation towards career guidance?
- Would further research be able to increase understanding of the nature of effective partnerships between employers and career guidance providers?

### 1 Introduction

Contemporary Britain is in the position of experiencing both skills shortages and substantial levels of worklessness. Re-engaging unemployed and workless individuals with the labour market, and encouraging them to enhance their skills and qualifications, is therefore an important policy objective. However, employers are often wary about engaging with job seekers, and unemployed people can lack the employability skills to reassure them. Career guidance describes a set of interventions that are designed to mediate the needs of both groups to support re-engagement, alongside supporting human capital development, improving the operation of the labour market, and supporting the interface between employers and job-seekers. This report will explore ways in which these different elements can be brought together.

Employers and job seekers approach the labour market with very different objectives and requirements. The report argues that career guidance brings a third perspective and can play a market-shaping role by bringing together employers and job seekers to support the effective operation of the labour market. This process is conceptualised as a tri-partite relationship between employers, workers / job seekers and career guidance. A key concern of the report will therefore be to identify when and how these three elements can come together to create action spaces that are capable of progressing the objectives of all stakeholders (see Figure 1).

There is a temporal aspect to the relationship as well, as all parties are developing within a dynamic context, and their relative needs shift in relation to each other and the wider environment. However, the concept of sustainable employability – a lifelong ability to develop and match skills to the needs of the labour market – offers an approach that can resolve these tensions. This concept enables all parties to commit to career development activities that support both individual and organisational goals without making assumptions about individual attachment to organisations. So, for example, a commitment to workforce development can help employers to address skill gaps, at the same time as enabling employees to enhance their employability. Career guidance can potentially provide intelligence to both parties about the availability of and demand for skills in the wider labour market. The idea of an 'action space' is based on the recognition of these divergent but aligned objectives, and the identification of approaches that can address the needs of all parties.





As a starting-point for this discussion, the paper utilises the OECD (2004: 10) definition of career guidance:

'Career guidance refers to services and activities intended to assist individuals, of any age and at any point throughout their lives, to make educational, training and occupational choices and to manage their careers. Such services may be found in schools, universities and colleges, in training institutions, in public employment services, in the workplace, in the voluntary or community sector and in the private sector. The activities may take place on an individual or group basis, and may be face-to-face or at a distance (including help lines and web-based services). They include career information provision (in print, ICT-based and other forms), assessment and self-assessment tools, counselling interviews, career education programmes (to help individuals develop their self-awareness, opportunity awareness, and career management skills), taster programmes (to sample options before choosing them), work search programmes, and transition services.'

This indicates that career guidance can exist within a range of different contexts and take a variety of different forms. In the context of this paper, it is particularly important to consider career guidance as delivered by publicly funded employment and career services, as well as the career guidance activities that can be identified within workplaces which serve to sustain employability, especially with those workers whose employment is relatively insecure. The breadth of the OECD definition should not be interpreted to mean that all forms of career guidance are the same, or indeed equally effective. The discussion of career guidance will be deepened in section 6 where more detailed distinctions will be drawn between the different forms of career guidance, and where the ways in which career guidance can support the creation of effective action spaces that can bring employers together with unemployed people will be explored in detail.

### **2** Government's role in the labour market

The UK has a long policy tradition of attempting to reduce the level of unemployment or at least preventing it from rising. Unemployment is closely related to broader economic cycles. Accordingly, many macro-economic strategies that are pursued by governments have an impact on the level and nature of unemployment. However, we will begin by analysing government policy more specifically in relation to the labour market activation of unemployed people. From the perspective of this report, an important area of concern is how far government policy in this area takes account of and involves employers.

#### 2.1 Defining labour market policies

Robertson (1986) argued that during the 1980s Britain moved from a passive social democratic or guardian labour market strategy to an active neo-liberal or market-centred approach. This new approach sought to downgrade the importance of achieving full employment, to reduce the size of the state, and to focus on business needs above those of the individual. As the idea of full employment was eroded, the responsibility for avoiding unemployment became increasingly devolved to the individual. The aspiration of governments became to manage unemployment by 'activating' individuals to re-engage with the labour market. The tools that have been used to achieve this activation have largely been applied to the individual (labour supply) although, as will be shown, there have been some policies that have sought to change employer behaviour (labour demand).

The loaded language of 'active' and 'passive' labour market policies is therefore a description of the move from one kind of political economy to another. 'Passive' policies are concerned with providing replacement income during periods of unemployment or job search, essentially locating responsibility with the state and broader economic forces and cycles; while 'active' policies emphasise labour market (re-)integration and attachment as a responsibility of the individual, albeit supported by a range of publicly funded interventions. In recognition of the politicised nature of this term, there has been considerable discussion about the nature of active labour market policies and about the viability of the term itself (e.g. Torfing, 1999; Taylor-Gooby, 2004; Barbier, 2004). Bonoli (2010) describes how the active labour market approach has been promoted by a variety of international agencies, and how as a result investment in this kind of activity has almost doubled in OECD countries.

Despite the broad location of responsibility with the individual, Meager (2009) has noted that active labour market approaches often include both supply and demand-side measures.

Supply-side measures include training schemes, information and job-brokering activities, information, advice and guidance, sanctions and incentives, and individual subsidies; while demand-side measures include subsidies to employers and a variety of job-creation schemes or creation of intermediate labour markets. A recent example of a demand-side approach has been articulated by the CBI (2011) which has called on the government to create a new wage subsidy (the Young Britain Credit) to incentivise employers to take on young job-seekers. A Youth Contract scheme, which includes an employer incentive alongside a drive to increase work experience placements and provide further Apprenticeships, has now been announced by the Coalition Government. It is possible to see career guidance as acting on both the supply and demand side, particularly if employers are involved in its processes.

Bonoli (2010) argues that the idea of active labour market policy is insufficiently precise to be useful. He argues that it is more helpful to see it as comprising four inter-linked policy themes, as outlined in Table 1.

Incentive reinforcement	Seeks to strengthen both positive and negative incentives to work	Tax credits Time limits on benefits Reductions in benefits Conditionality of benefits Sanctions
Employment assistance	Facilitating and removing obstacles to labour market re-entry	Career guidance Job subsidies
Occupation	Finding something for people to do Limiting the depletion of human capital	Job-creation schemes Volunteer programmes Non-employment-related training
Human capital investment	Upskilling workers to increase their employability	Basic education Vocational training

Table 1: Bonoli's (2010) typology of active labour market interventions

Career guidance has increasingly been seen as a key component of these active labour market policies (Darmon, Perez & Wright, 2010). Although this is most obviously the case in the 'employment assistance' category, which is where Bonoli places it, it also has a role to play in the 'occupation' and 'human capital investment' areas in supporting people to make well-informed and well-thought-through choices about how to invest their time. Furthermore,

it is not uncommon for career guidance practitioners to be asked to implement the incentive reinforcement programmes in a variety of ways (Van Stolk et al., 2006; Nice et al., 2009).

#### 2.2 Current policy

Since the Coalition Government came to power, there has been a significant refocusing of the welfare agenda. The Government has set out a number of major welfare-to-work reforms designed to support people to find and remain in employment (e.g. HM Government, 2011). In October 2010, the Coalition Government replaced the New Deal Programme with the Work Programme for unemployed adults. This programme has contracted out provision of support for unemployed people to consortia of local providers (including skills providers and the voluntary and community sectors) managed by a local 'prime contractor'. This approach has been described a 'black box' approach as government is not specifying the activity that providers undertake to support unemployed people to reengage with the labour market. Amongst other possibilities this means that providers are free to pursue both career guidance and employer engagement strategies. The contracts are linked to payment for sustained labour market outcomes, thus incentivising providers to build relationships with employers and design effective intervention programmes (DWP, 2010; Gee et al., 2011). If this approach is successful, it will result in providers attending to the sustained employability of job seekers rather than merely placing them in employment.

The Coalition Government has also rebranded and reconceptualised government-provided career guidance services. The requirement to provide support for young people's careers has been moved from an identifiable service (Connexions) and re-allocated to schools (Hooley & Watts, 2011); meanwhile the adult service (Next Step) will be re-launched in 2012 as an all-age National Careers Service (Hayes, 2010). The Government has announced that it is exploring 'new models which bring together careers and job support' and that some co-location of the new service and Jobcentre Plus is likely to be part of these new models (Hayes, 2011).

Changes in the provision of careers services and wider active labour market policy have also been evident in the devolved administrations. The Scottish Government has produced a raft of policy in this area (e.g. Scottish Government, 2011a; 2011b) in the context of a strategic plan for economic recovery (Scottish Government, 2011c). It has also further developed the Partnership Action for Continuing Employment (PACE) initiative and continued, despite some cuts, to support the operation of a strategic delivery body in Skills Development Scotland.

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Wales has also seen a transformation of its careers infrastructure following cuts, the creation of a single careers company following recommendations by Edwards, Saunders & Hughes (2010), and the development of a strategy for enhancing labour market intelligence.

In August 2011, the Welsh Government started a project specifically aimed at developing and communicating intelligent and analysed LMI to:

- better align learner choices with the requirements of the Welsh economy; and
- get the best value possible from LMI in terms of planning and policy delivery by communication LMI messages effectively to providers, employers and policymakers all of whom are making decisions regarding investment in skills.
- The Welsh Government is helping to maintain employment levels by targeting investment and working with employers to open up opportunities for those trying to enter the job market through apprenticeships, Jobs Growth Wales, Traineeships and the Steps to Employment programmes. Some £45 million of the Skills Growth Wales programme is being invested to intensively work with Anchor and regionally important companies and employers in priority sectors to help them overcome skills barriers and release new growth potential.

Alongside these developments in careers and employment services, the Coalition Government has also been developing approaches to benefits that encourage people into work and to 'make work pay' (DWP, 2011). Tackling unemployment is therefore likely to continue to be a major theme of government policy over the next few years. The Coalition Government has signalled its intention to be less interventionist than previous governments and to use a range of strategies to activate labour market potential. However, stimulating labour market demand in a difficult economic environment remains challenging. A particular challenge that will be explored in this report is how employers can be encouraged to engage with individuals who are currently unemployed.

## 3 Understanding unemployment

#### 3.1 **Profiling the unemployed population**

The population of unemployed and workless individuals is made up of a wide variety of different people, with different skills, histories and levels of work readiness. This section of the report briefly explores some of these different characteristics both in demographic terms and in terms of their distance from the labour market.

Worklessness and unemployment remain major issues in the UK. Official unemployment is currently high, as shown in Figure 2 and whilst there are different definitions of worklessness, it is clear that the UK has one of the highest rates of workless households in the EU<sup>1</sup>.

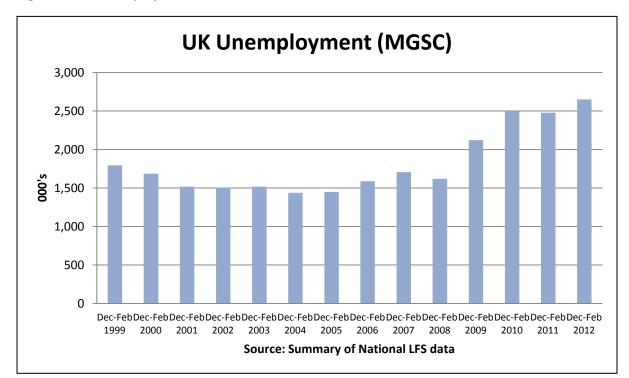


Figure 2: UK unemployment 1999-2012 (source: ONS)

 Worklessness is not experienced equally, and geography and demographic characteristics are important predictors of the likelihood of being workless. For example, there are three areas in which more than three out of every 10 households have no-one in work (Liverpool 31.9%; Nottingham 31.6%; Glasgow City 30.7%)

<sup>&</sup>lt;sup>1</sup> HM Government (2010) shows that the UK has one of the highest rates of workless households in the EU, with nearly 4.8 million people of working age and a further 1.9 million children living in such households (HM Government, 2010: 27. The Office for National Statistics (2011) gives a slightly different figure (based on a different definition) of 3.9 million workless households containing 5.4 million people aged 16 to 64.

(ONS, 2011b: 3). In relation to demographic characteristics, disabled individuals are likely to earn less than non-disabled people, and are three times more likely to exit from work (Rigg, 2005).

The picture for ethnic minorities is more mixed, with Pakistani and Bangladeshi groups (particularly women) suffering the worst employment penalties (Parthak, 2000; Dustmann et al., 2003). The picture varies for other ethnic-minority groups, with Black women facing far less employment disadvantage than men, and Caribbean women having less unemployment than white women. For women, religion is a better predictor of employment disadvantage than ethnicity; but men suffer very similar penalties based on either religion or ethnicity. Among religious minorities, Muslims face the worst employment difficulties, followed by Buddhists, Sikhs and Hindu women who all have relatively low employment rates.

The main area where there has been change has been in relation to the employment of women, who have been found to be facing less persistent employment disadvantage than in the 1970s. Berthoud & Blekesaune (2007) also found that there was little difference in age except for those aged fifty or over who were more likely to leave employment and remain out of employment than younger workers.

#### 3.2 Distance from the labour market

Demographics provide an obvious way to sub-divide the workless population. However, from the perspective of government policy seeking to target support, and of employers seeking employable individuals from the workless population, a more outcomes-focused distinction is needed. If it is possible to identify which individuals have the highest capability to work, this provides a useful tool for both policy-makers and employers.

A number of studies have looked at developing models to measure distance from the labour market (e.g. Dewson et al., 2000; James, 2001; DWP, 2003; Booth, 2004; Bridges Project, 2003; Purvis et al., 2009). Much of this work has been conducted within the context of active labour market policies, in order to better target career guidance or incentive reinforcement approaches. An important future question is how far these instruments connect to the various assessments that are utilised by employers when judging candidate suitability during employment processes.

A number of models have been developed to provide those delivering services with a standardised typology and approach to measuring distance from the labour market (e.g. Cappellari et al., 2005). Purvis et al. (2009) developed a more sophisticated model as part of the evaluation of Workstep and identified 21 behaviours with associated indicators that could be used to quantify participants' distance from the labour market.

The behaviours, skills and knowledge identified by Purvis et al. and by Aston et al. (2009) in a similar study are essentially the areas which career guidance seeks to influence, related to self-knowledge, self-concept, labour market knowledge and labour market competence. However, it is important to recognise that enhanced attitudes and employability skills are not sufficient in and of themselves to guarantee employment and that economic and labour market conditions also impact on the relevance of employability skills. In other words, a successful labour market policy will need to act on both the supply and demand sides of the equation. Career guidance providers need to be aware of what is happening in the labour market. A further question is how far career guidance providers and employers can actively shape each other's behaviour to help to connect supply and demand.

## 4 Understanding the range of employers

It is also important to recognise the diversity of employers and to consider how this frames attempts to engage them further in working with career guidance providers and unemployed people.

The considerable range in the size of employers demonstrates this diversity most clearly, with 21% of workers employed by organisations with less than 10 employees and 31.6% employed by those with over 200 employees (Hay et al., 2011). Employers are also diverse in terms of sector and each of these sector specialisms is likely to influence the way employers engage with low-skilled workers. Furthermore, businesses are underpinned by a range of different philosophies and models. Around 30% of people are employed in the public sector (Hay et al., 2011), while others work for charities, community organisations, partnerships, mutuals and co-operatives. There are also important distinctions between sole traders, private companies and limited companies, and further complexities relating to the range of mergers and alliances that are built between businesses both inside and outside the UK.

There were estimated to be 4.5 million private-sector businesses in the UK at the start of 2011, of which 62.4% were sole traders. In addition, small and medium-sized enterprises (SME) accounted for 99.9% of all enterprises and 58.8% of private-sector employment (ONS, 2011c). Each of these diverse forms of employer organisation exerts influences over the ways in which career guidance organisations and unemployed people are able to engage employers. In particular, they are likely to influence the level of community engagement and local orientation that the employers seek.

In addition to these organisational issues, there are a large range of personal factors that are likely to influence employer engagement. Entrepreneurs and organisational leaders come from a range of socio-economic and cultural backgrounds and can be educated to different levels. Managerial practice can be complex, with different managers having their own personal and business goals which may be aligned or in conflict to varying degrees.

Some employers have particularly robust and effective approaches in place to support skills development and adopt a strategic and systematic approach to human resource management and what are often termed 'high performance working practices' (Guest, 2006). However, the preference of small organisations for an emergent rather than planned approach to strategy is widely recognised (Blackburn & Smallbone, 2008). SMEs are much less likely to employ a 'Human Resource' professional in the business to champion training

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or to develop and manage systems and processes to encourage progression (Curran et al., 1997).

The question of how personal and organisational issues translate into management approaches is a crucial question in the context of this study. The relationship between the nature of the employer and the nature of the employment, and the career development opportunities that arise for individuals from this employment, provide the context into which the activity of career guidance takes place.

# 5 The roles of employers in relation to job seekers

#### 5.1 Employer engagement in labour market policy

Employers provide the destination for most active labour market programmes, and it is therefore important that attention is paid to employers' attitudes and experiences of employing unemployed people and to the processes and channels through which they engage with this group. The Government has acknowledged the importance of employer engagement and made this one of the key criteria on which tenders for the Work Programme were evaluated (DWP, 2010: 8).

In addition, a recent paper by UKCES (2011a) recognised the important role of employers in the skills arena, The UK Commission identified five principles for long-term reform in this area:

- 1 Employers should have the space to own the skills agenda.
- 2 There should be a single market for skills development.
- 3 Skill solutions should be designed by employer-led partnerships to reach more people and businesses.
- 4 Public contributions for vocational training should move to employer incentives and investments.
- 5 Transactions should be transparent (UKCES, 2011: 4-5).

The paper argued that there needs to be a shift in the leadership and ownership of skills: vocational training for young people needs to shift from Government to employer leadership; and adult workforce development needs to change from being provider-led to being employer-owned.

There is a strong tradition of employer engagement with learning-providing organisations (e.g. Mann, 2010), but a considerably less developed one in relation to engagement with unemployed people (Bellis et al., 2011). This is understandable in terms both of the lack of venues for engagement outside learning contexts as well as of concerns about the skill base and employment readiness of that segment of the labour market. Cooper et al. (2008) and Mann et al. (2010) both categorise the advantages to employers of engagement with learning organisations and the labour market. These can be summarised as:

• Direct benefits are those that save the organisation money or advance its position -

most typically through successful recruitment outcomes or access to free labour, skills or knowledge.

- Indirect benefits include reputational advantages, fulfilling corporate social responsibility requirements, or contributing value to the communities or networks to which the organisation belongs.
- Workforce development benefits can be derived where an employee builds skills and motivation through involvement in an employer engagement activity.

This demonstrates that employer engagement with unemployed people cannot be read as a proxy for recruitment or a signal of intention to recruit. Employers have a range of reasons which may move them to engage with unemployed people: directly employing those unemployed people is only one of them.

The challenges of employing recently unemployed individuals were highlighted in a survey by the European Social Fund (ESF) and Equal (2007). This found that while some British employers agreed in principle that it was socially responsible for their company to employ unemployed people, others felt that unemployed people were lazy and that there were more disadvantages than advantages. Hasluck (2011) found that employers characterised their attitudes and practices in relation to the recruitment of unemployed applicants as follows:

- employed workers are more skilled and valued;
- hiring a top performer is a way of accessing a competitor's strategies;
- people who are made redundant are laid off because of performance or other problems;
- the skills and contacts of unemployed people may be out-of-date;
- unemployed people are often frustrated, bitter and angry characteristics not welcomed in new work environments;
- weeding out the 'unemployed' helps as a screening tool for overworked human resources departments (Hasluck, 2011: 22).
- However, unemployed people are not a homogenous group (short/long-term, experienced/labour market entrants, etc.) and research has shown that employers make distinctions between these different groups. So Newton et al. (2005) found that work experience was more important than current employment status. But Hogarth et al. (2003) found that when faced with recruitment problems, employers often remained unwilling to consider long-term unemployed people as viable employees,

preferring to look for alternative sources of labour – e.g. retired and early retired people, immigrants or women 'returners' – to fill their vacancies. This raises the question of whether work experience has a sell-by date. Hasluck (2011) indicated that length of unemployment also impacted on employers' views. Thus an Institute of Leadership and Management survey (ILM, 2009) found that 83% of managers interviewed said that the employment status of applicants was irrelevant as it was not an indicator of ability; however, this dropped to just 28% if the applicant had been unemployed for six months or more (Hasluck, 2011: 22).

Other research found that employers' recruitment practices often bypassed unemployed people and that some employers actively mistrusted the quality of applicants received from agencies such as Jobcentre Plus (Devins & Hogarth, 2005). Some of these issues vary by employer type, with Newton et al. (2005: 61) noting that large employers are typically able to offer better opportunities for recruitment and progression of unemployed people than small organisations.

#### 5.2 Forms of engagement

One of the key ways in which governments have sought to engage employers in relation to unemployment and transitions to the labour market has been through a variety of work-experience schemes. These schemes provide examples of action spaces in which employers, career guidance providers and unemployed people can all take action to advance their own agendas. Employers get to shape the labour supply, trial potential employees and contribute to their community engagement; while career guidance providers are able to offer opportunities that develop the employability skills of unemployed people. There is also evidence that unemployed people who gain experience through these schemes are able to develop their employability skills by gaining experience, confidence and 'soft skills' (Rochester, 2009).

Although forms of work experience and voluntary work are highlighted in the OECD definition of career guidance, it is important to note that the existence of these activities does not in and of itself constitute career guidance. Where paid or unpaid work experience is embedded in a framework that facilitates learning, reflection and development, work experience can be a key component of career guidance. Where none of these things are in evidence, it runs the risk of simply 'parking' individuals in a way that is unlikely to support their career development or reintegration into the labour market.

This section briefly reviews the literature on four types of work experience: volunteering, work experience/placements, intermediate labour markets and internships. In practice, it is

difficult to draw hard conceptual lines between these different practices. However, it is possible to propose a series of spectrums that might be useful in evaluating the nature of different work-experience opportunities and developing a more sophisticated typology:

Paid	 Unpaid
Developmental (e.g. skills)	 Occupational (filling time)
Continuous	Episodic
Leading to employment	 Not related to employment
Contributing to productivity	 No/minimal contribution
Experience of work	 Observation of work

#### Volunteering

An important subset of work experience is gained through volunteering. Diamond et al. (2011) found that individuals benefited from volunteering by learning new skills and knowledge, and that they increased their employability, gained the opportunity to network and experienced a range of other individual benefits. The Government has recognised this in relation to unemployed people through the establishment of the Work Together scheme, which allows people to develop work-related skills through volunteering (DWP, 2010). However, previous research which has examined volunteering as a route to work has shown mixed results. For example, Corden & Ellis (2004) examined the impact of volunteering on incapacity benefit claimants: they found that although volunteering increased personal assets to offer employers, cultural stereotypes of people who do voluntary work may limit identification of such opportunities. They argued that focusing too much on the role of volunteering as a direct route to paid work for incapacity benefits recipients fails to recognise its potential value in enhancing quality of life and human capital that could lead more indirectly to future work opportunities. The question of whether volunteering leads directly to employment is less clear-cut. IVR (2008) notes that three major studies of volunteering (Gay & Hatch, 1983; Hatch & Gay, 1998; Hirst, 2001) have failed to provide statistical evidence that it does so. However, the studies do provide some limited evidence that volunteering within a specific organisational context can lead to employment. An example is the National Trust, where 80% of the full-time volunteers go on to employment or further training within

the organisation. This demonstrates how a not-for-profit employer can use voluntary work as a strategy for trialling future employees.

Certainly, volunteering can provide a space within which individuals can build skills and develop evidence that is viewed positively by employers (Timebank, 2004). However, the impact of voluntary work has been found to be greater if it is clearly linked to the employer's field of operation (V, 2008). This provides an example of an action space for career guidance in helping individuals to choose voluntary experiences wisely and to connect to potential employers both within and outside current voluntary placements.

From the perspective of the employer, there is also good reason to view volunteering as a useful mode through which employability skills can be developed. Research has indicated that employers who supported employee volunteering initiatives saw organisational and workforce development benefits in doing so (Wilson & Hicks, 2010; Diamond et al., 2011). In this circumstance, the activity of volunteering can contribute positively to employers' activity in relation to workforce development and community engagement.

#### Work placements / work experience

Research has noted that training and support programmes for unemployed people are most effective where they are linked to work experience with an employer (Payne et al., 1996). CIPD & Jobcentre Plus (2011) have recently published guidance to help employers raise the quality of work experience available to young job seekers. Its aim is to provide assistance to employers so they are able to design work-experience placements and to ensure that both employers and individuals are able to reap the full benefits of the scheme.

Research by the CBI (2007) found that employers articulated the benefits of providing work experience in terms of their direct, indirect and workforce development benefits. This research, along with other work by the Mann et al. (2010), also found that employers use work placements to help them find suitable candidates for future employment. Work experience is therefore providing an action space within which an individual can develop their career (in some cases supported by career guidance) at the same time as employers are able to pursue their own interest in recruitment. If organised well, these kinds of activities clearly provide a space in which both career guidance providers and employers can work with unemployed people.

#### Intermediate labour markets

Much research in this area argues that properly managed intermediate labour markets (ILMs) can be effective in returning people to work (Ali, 2011; Finn, 2003; Marshall &

Macfarlane, 2000). Guidance elements have often been an important part of such programmes, for young people in particular (e.g. Knasel, Watts & Kidd, 1981). Marshall & Macfarlane emphasise the importance of including career guidance elements as part of ILM

programmes to support transition to the actual labour market. For example, Finn & Simmonds (2003) in an international review identified a number of key characteristics for a successful ILM. These included:

- they are predominantly designed for, and recruit, those unemployed with the least employability;
- they are locally driven and 'join-up' different government and EU funding streams; and
- they encompass a wide range of different models and work activities.

Finn & Simmonds also noted that:

- those ILMs that were based on the New Deals improved the performance of the Environment Task Force (ETF) and voluntary sector options and New Deal 25+ Intensive Activity Period IAP;
- the cost of ILMs is not as high as previously thought; and
- medium-sized ILMs with job contracts over 26 weeks appear to be the best at maximising job outcomes (Finn & Simmonds, 2003: ii).

A recent report by the House of Commons Work and Pensions Committee (2010) indicated that ILM programmes such as the Future Jobs Fund could be a cost-effective option for returning young unemployed people who are furthest from the labour market back into employment, because less intensive approaches such as work experience do not work with these groups. However, not all research in this area is equally positive, with Meadows (2006: 6) arguing that job-creation schemes in the UK offer 'exceptionally poor value for money'.

#### Internships

Internship essentially forms a specialised kind of intermediate labour market which is normally targeted at graduates or higher-skill participants. Law & Potter (2010) characterise internships as providing participants with a substantial, prolonged and authentic experience of work. Internships may be paid or unpaid. Malik (2011) estimates that in summer 2010 there were a quarter of a million interns working in UK companies. Although reliable figures are difficult to ascertain, partly because of the difficulty of defining an internship, Personnel Today (2011) estimated that over half of all internships were unpaid.

The commitment of (mainly) young people to substantial amounts of unpaid work has led some to question the value and social equity of internships. Research carried out by YouGovon behalf of Internocracy and reported in the Guardian newspaper (Malik, 2011) indicated that almost a fifth of British businesses have admitted to using unpaid interns to 'get work done more cheaply' and prop up company profits during the recession. This is a situation that may have greater appeal for employers than for prospective interns, unless strong evidence can be shown of the impact of internships on career prospects.

Despite the controversy surrounding internships, they are frequently conceived of as action spaces in which different parties engage for their own purposes. Virolainen et al. (2011) identify the advantage of internships for employers as being the production of more competent entry-level professionals. Virolainen et al. particularly focus on models of internship where they are embedded into learning curricula and therefore support the work experience with learning, reflection and development opportunities. Research on the Graduate Talent Pool Internships Scheme found that around a third of those who had completed internships gained long-term employment with their internship employer, so that the proportion of unemployed graduates fell (Mellors-Bourne & Day, 2011). This echoes the findings of the CBI (2007) and the Mann et al. (2010) in suggesting that engaging with potential employees in temporary ways can lead to successful employment matches.

## 6 The roles of career guidance

Having reviewed active labour market policy, the experience of unemployed people and the nature of employer engagement with this group, we have already encountered career guidance in a range of forms. The OECD (2004) definition has also been introduced, which stresses the breadth of activities that can be seen as comprising career guidance.

Within the context of Great Britain, career guidance is likely to be undertaken by, in particular, the following organisations:

- Connexions/Local Authorities.
- Next Step/National Careers Service.
- Skills Development Scotland
- Careers Wales.
- Community/voluntary-sector-based careers services.
- Learning organisations (further and higher education, training providers) as an integrated part of a broader educational offer.

Some activities related to career guidance are also undertaken in Jobcentre Plus.

It is further possible to identify career guidance activities which take place within the workplace, driven by human resources professionals and/or managers who recognise the potential connection between workforce development and career development (Cedefop, 2008; Hirsh, 2007). In addition, Unionlearn is a major provider of forms of career guidance for individuals within the workplace (Clough, 2009).

Given all these different providers, it is unsurprising that career guidance is highly variable across contexts. It is possible to find a range of lengths and formats of interventions, of levels of practitioner qualification and skill, and of relationships to wider contexts of the employment and education systems. One of the key challenges for this project is therefore in conveying the range of career guidance activities that help people to 'make educational, training and occupational choices and to manage their careers' without blurring the boundaries with the rest of the education and employment system. It is also important to understand that the thinnest employment adviser interview will not achieve the same results as the deepest career counselling or career education programme. A key objective is accordingly to map out the actions spaces within which career guidance providers and

employers can collaborate and to explore what the various benefits of each of these action spaces is likely to be, both for employers and for unemployed individuals.

#### Career guidance and job seekers

Although supporting transitions to the labour market is a major emphasis of career guidance, there is a surprisingly limited amount of work which examines its role with unemployed people. This point was made by Patton (2001), who argued that career guidance should be engaged with individuals across the life course, including in periods of employment insecurity and unemployment, rather than being limited to the issue of initial labour market entry. As already discussed, one challenge in this area is the way in which career guidance programmes in a public employment service context are frequently connected with the state's administration of benefits. Darmon, Perez & Wright (2010) argue that access to career guidance can be undertaken voluntarily, on a partly or fully compulsory basis. They also note that the level of compulsion typically increases as the individual gets further from the labour market.

In general, studies in this area find that career guidance can have a positive impact on unemployed people's life satisfaction and life chances. Studies by MORI (1996; 2001) found that the majority of unemployed users of career guidance reported positive outcomes and successful transitions to learning and work. In a study of guidance services for long-term unemployed people in five member states of the European Union (Germany, Greece, Netherlands, Sweden, UK), Bysshe (1998) concluded that effective guidance services can enable long-term unemployed people to make more effective transitions. In Australia, Patton & Donohue (1998) found that the overwhelming majority of participants in a career guidance programme for unemployed people believed that career guidance was effective: it had supported them to develop more realistic aspirations and had expanded their work opportunities.

Hawthorn & Alloway (2009) explored the critical success features of a career guidance service for unemployed adults. Their work built on similar findings from the Learning and Skills Council (2007) and Hasluck & Green (2007) in stressing the importance of the interpersonal skills of advisers, of recognising the need for a gradual and supported transition to the workforce and of the need to combine career guidance with the development of basic skills. They argued that in order to develop meaningful metrics for career guidance with unemployed people, there is a need to attend to both 'hard' outcomes such as employment or enrolments, and 'soft' outcomes such as client confidence. They also argued that career

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guidance providers need to engage with employers to a greater extent in order to support effective transitions.

Evidence suggests that career guidance can lead to attitudinal change (Bosley et al, 2002), that it can support engagement with learning and human capital development (LSC, 2008; Career Industry Council of Australia, 2006; Killeen & White, 2000) and that it can support transitions in a challenging labour market (Bimrose et al., 2008). Studies also suggest that the nature of career guidance received influences the level of impact on human capital (Pollard et al., 2007; Tyers & Sinclair, 2005). As already discussed, this is a critical question, given that we are working with a broad definition of career guidance.

#### Potential roles of career guidance in journeys through learning and work

While some people remain workless across a lifetime, for most people who experience unemployment it is a temporary status which an individual moves to and then moves from. Career guidance often plays a role while an individual is in work or learning, but typically plays a greater role as an individual prepares for and makes a transition that involves choices.

For employers, the range of different points of origin from which an individual seeks employment immediately establishes a typology of different kinds of applicants (worker, threatened worker, trainee, non-worker). Whether employers choose to construct a hierarchy of these different kinds of applicants, and whether this hierarchy shifts for different types of jobs, are important questions. The discussion of employers' attitudes in section 4 has addressed this to some extent.

Many individuals will cycle through a range of different labour market statuses throughout their life (in work, in learning, out of work and so on). However, each time they return to a status, it is framed differently, as both their life and the context have developed. Developmental theorists like Super (1980) saw life as a progression through a series of different statuses, emphasising the way that an individual might achieve career maturity (Super, 1974) and make a series of career moves that build positively on each other. While Super's assumptions about age and stage-related developmental process continues to be influential in the ideology of career guidance. Career is not merely cycling through a series of labour market statuses, but rather a lifelong process in which different experiences build upon one another. The individual who returns to work after a period of unemployment is different from the one who started his or her first job straight after school. This long view of

career provides a way in which it is possible to recognise how skills, attitudes and aptitudes are built up (and, sometimes, knocked down) through the process of life. Career guidance seeks to help people to identify their strengths within this iterative cycle and to put them to effective use in new contexts.

The developmental view of career connects to human resource management concepts related to workforce development. An individual is not a finished product, but rather a work in progress shaped by their experiences as well as their ability to manage those experiences, capitalise on opportunities and minimise setbacks. Employers expect an individual to grow and develop along with organisational needs, and this ability to analyse and respond to change is closely aligned with competency in career management. Career guidance seeks to develop individuals' self-efficacy, knowledge of the labour market, ability to handle information, capacity to deal with relationships, and so forth. These career management skills may enable the individual to develop their career between organisations, but also to develop within an organisation alongside its organisational objectives. Therefore, while career guidance seeks to act primarily on the individual and their career development, it also has a strong alignment with employers' concerns regarding organisational development through the development of the workforce. The relationship is outlined in Figure 3.



Figure 3: The connection between career development and organisational development

So while career guidance is most obviously applied in periods of disconnection from the labour market, it also has an important role in shaping the nature of individuals' connection to the labour market. This chimes with employers' needs for organisational and workforce development, but also with the goals of active labour market policy in supporting greater

individual responsibility for ensuring a sustained relationship with the labour market.

If the goal of active labour market policy is to support this kind of sustained engagement with the labour market, then it is important that career guidance is seen as providing a lifelong framework for career development rather than merely helping individuals to find work in the short term. This access to career guidance is likely to be paid for and delivered in a range of different ways throughout an individual's life. Without seeking to reduce the individuals' own responsibility for their career development, it is also possible to identify a range of other stakeholders in their career journey, notably employers, learning providers and the benefits and employment system. If career guidance is effective, it may also offer benefits for this wider range of stakeholders.

#### The objectives of career guidance

Career guidance therefore offers a series of interventions that strengthen an individual's ability to navigate the learning and labour markets, as well as potentially having important benefits for employers, learning providers and other stakeholders. At a policy level, OECD (2003) has characterised the objectives of career guidance programmes as follows:

- to improve the efficiency of the labour market;
- to support wider policy aims related to education and social equity; and
- to enable people to build human capital.

In relation to unemployed people, these three aims can sometimes be in tension, in particular with programmes designed to meet (1) leading to less focus on (2) and (3). One way to articulate this tension is whether the goal for the individual should be immediate employment, immediate employability, or sustainable employability (Watts, 2006). In other words, is the intervention seeking to place someone in a job, provide them with skills to move into work or to provide them with the ability to make an ongoing attachment to the labour market. In the evaluation of the Worklessness strand of the New Deal for Communities Programme, the issue of career development and the opportunity to progress beyond entry-level jobs within the labour market was stressed as a key component of successful local intervention (Walton et al., 2003). LSIS (2010) situate sustainable employment as the aim of programmes for unemployed people. This idea of sustainability again raises the issue of how employers can be engaged in continuing to develop employees' career management skills once they are employed.

Darmon, Perez & Wright (2010: 12) argue that the way a career guidance service is conceived impacts on the way in which an unemployed person is perceived by service

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providers and on the kind of service that they ultimately receive. They see the nature of the service being primarily constructed around the level of compulsion that exists:

'The very same user, e.g. an unemployed person, visiting an open resource centre (type 1), where he/she will be constructed as active, motivated and simply in need of information or focused advice, is represented as a vulnerable individual needing to overcome and redress key deficits, in a type 2 service. If he/she receives benefits, he/she will be summoned at some point to take part in a workfare programme, where he/she is seen, by construction, as a debtor on society.'

In other words, service design and policy-derived objectives have the potential to influence both user experience and outcomes. It is therefore important to consider some of the other ways in which the objectives of career guidance might be constructed.

In addition to questions about finding individuals' employment and building their capacity to remain employed, there are further goals that career guidance practitioners may seek to introduce into the guidance process. Closely aligned to the issues of re-entry to the labour market, but distinct from them, are the possibilities of engaging in further education or training, and of establishing various kinds of enterprise (including self-employment, small businesses, and social and community enterprises). Career guidance practitioners might also seek to support individuals to understand the context of unemployment and consider how to cope with being unemployed, for example by making good use of increased 'leisure' time for both personal and civic objectives (Watts, 1983; Watts & Knasel, 1985). Watts (1996) also makes the point that what he describes as 'radical' career guidance may in addition seek to encourage clients to consider the political and economic context of unemployment and to consider both personal and collective action to change these contexts.

Asking what else unemployed people can do during their period of unemployment can be seen as fitting in with Bonoli's (2010) category of 'occupation'. It is possible to find socially useful activities for people to engage in that at the same time continue to foster habits of working and prevent deskilling. This approach resonates with the Big Society concept and might involve alternative stakeholders (charities, community groups, etc.) working with career guidance providers, in addition to conventional employers. However, Marshall & Macfarlane (2000) in a study of intermediate labour market programmes found that the community objectives of these programmes need to be handled carefully. If intermediate labour market programmes become essential for delivering community services, this can create an unhelpful tension with the individual's objective of re-engagement with the mainstream labour market. There is a danger that communities which draw community resources from their unemployed members cannot afford for those individuals to return to the mainstream labour market. This tension also exists at an individual level and raises the

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question of how we define 'work' and 'worthwhile activity' more generally (Watts, 1983), and ultimately how we judge the success of career guidance interventions.

# 7 Action spaces for employers, career guidance providers and unemployed people

There is a plethora of research covering models of employer engagement within schools (Mann, Lopez & Stanley, 2010), further education (Learning and Skills Council, 2006; Macleod & Hughes, 2006) and higher education (Bolden et al., 2009). However, there has been very little research that fully maps the role of career guidance across these different environments in relation to employers and other customers. Furthermore, as has already been argued, there is even less literature that looks at the question of employer engagement with unemployed people and the role that career guidance plays in that. A key part of this study was therefore to undertake an empirical investigation into how far practice exists that meaningfully links employers, career guidance and job seekers.

Figure 1 sets out a conception of the tri-partite relationship that can exist between employers, career guidance and unemployed people. The earlier sections of this paper have explored the nature of these three parties and have set their actions within the context of government policy in this area. Research, such as that described in this report, frequently emphasises the potential of greater levels of engagement between career guidance and employers, yet equally frequently observes the difficulties in achieving this connection.

#### Figure 4: Action spaces



Getting diverse stakeholders to collaborate on issues of common concern cannot be achieved without recognition of the different perspectives that the stakeholders have. The interests of employers are different from those of an unemployed individual, and different again from those of the career guidance provider who is often, but not always, acting to some extent as an agent of government policy. However, although the interests and motivations may be different, the desired outcomes may be similar or the same. This report has therefore introduced the idea of the action space as a way of further exploring the interface between the three parties. Action spaces do not require that the different parties dissolve their different agendas: only that they all see some reason for engaging in this joint space. Figure 4 demonstrates the five main action spaces that have been derived from the literature which discusses employer engagement with career guidance.

The Call for Evidence undertaken in November 2011 provided an indication of the types of career guidance activity employers and intermediaries have been involved with. The Call comprised an e-survey of two stakeholder groups: employers and career guidance professionals (intermediaries). A total of 64 intermediaries (drawn from a range of organisations) and 88 employers (drawn from manufacturing to service sectors across the economy) responded. The research also included a number of case studies which were developed to illustrate each of the action spaces in whole or part. Full details of the methodology are available in the Appendix. The results of the Call are mapped below on to the five action spaces identified from the literature.

### 7.1 Action space 1: Influencing the labour market

The first action space describes activities through which both employers and career guidance providers seek to shape the development of the labour market. This might include attempts to influence both supply and demand. It usually relies on the role of career guidance providers as intermediaries between the various elements of the system. At the most basic level, this might involve employers providing information to career guidance and labour market information providers about future skills and labour needs. Career guidance providers are then in a position to use this information to inform individuals' own career planning.

In some cases, providers such as Jobcentre Plus and Next Step have used local labour market information to shape the development of the local education and training system. Where this worked best, it was approached as a partnership where the labour market information available to career guidance providers was used to inform the development of

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the vocational training offer of local colleges and training providers (Nice, Irvine & Sainsbury, 2009; Johnson et al., 2011).

It is also possible to see some employers' direct engagement in work-related learning as part of an attempt to influence the skill base of future recruits. One example is the perspective of Virolainen et al. (2011) that employers' motivation to get involved in providing internships within the context of education was about the production of more competent entry-level professionals; another is Association of Graduate Career Advisory Service's (AGCAS's) (2010) description of employer involvement in assessed modules in higher education. In these cases, the employer may not be seeking direct recruitment of an individual, but is rather seeking to influence the overall quality of the labour supply.

The Call for Evidence suggests that a sizeable minority of employers and intermediaries responding to the Call work in this action space. The findings provide an indication of the activity levels of this sample of employers and intermediaries in the action space (Figure 5).

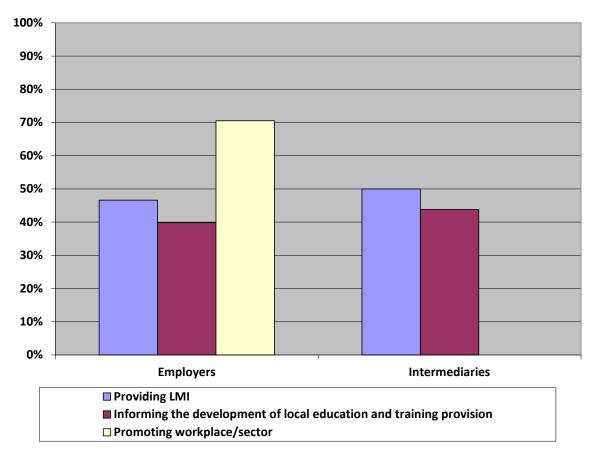


Figure 5: Employer and intermediary engagement in the 'influencing the labour market' action space (n= 88 employers; 64 intermediaries)

Analysis of the employer responses suggests that in general they work with organisations such as Jobcentre Plus, recruitment agencies and further and higher education providers to satisfy operational recruitment requirements. However, as well as job-specific recruitment, a majority of employers reported the importance of promoting their sector or industry more generally (e.g. construction, engineering). For example, employers noted:

'We are just trying to promote the industry for the future.'

*We are working with schools and universities to encourage young people to consider careers in engineering. Providing information about career choices, qualifications required etc. This has helped to break down perceptions of engineering as a "blue collar" career, and raise awareness of professional opportunities within the industry.* 

 Several employers commented upon the effectiveness of activity in this space. For example:

'School talks and open days with workshops on how to apply for a job. This increased the quality of job applications.'

 Intermediaries, too, noted the close connection between influencing the labour market and recruitment. For instance, the benefits employers are reported by intermediaries to realise are connected with:

'Raising the profile of jobs across their sector and helping to dispel any myths and challenge misunderstandings that the public and/or careers/employment adviser may have. Increase the numbers of people who will apply to them for work. Reduce the costs of recruitment, particularly in terms of advertising. Increase the quality and appropriateness of job applicants and therefore reduce turnover rates and associated re-recruitment costs.'

 Intermediaries highlight the need for effective guidance to be based on 'honest assessments' and 'realistic' job opportunities, combined with attractive career paths communicated using relevant media. For example:

'Promotion of individual organisations and the wider sector via Ambassador activity. Centralised support resources, designed in partnership with employers but delivered collectively on their behalf – for example a career pathways e-tool.'

Activities in this action space might include:

- the provision of local labour market information and employment trend data;
- informing the development of local education and training offers;
- direct involvement in education, training and work-related learning;
- administering incentives to boost labour market demand.

### 7.2 Action space 2: Recruitment

The second action space describes how employers and career guidance providers typically collaborate in relation to recruitment processes. This ranges from employers providing vacancy information to career guidance providers, to employers actively engaging with job seekers by using the venue of the career guidance provider. As with others of these action spaces, the relationship with career guidance should not be assumed: employers may provide vacancy information to employment services without this information sitting within any kind of context that can be called career guidance. So Hasluck & Green (2007: 4) reported that Employment Zone providers in the UK have 'separated the adviser role for customers from that of dedicated staff whose role is to engage employers and generate work placements and job vacancies with apparent success'. This separation does not necessarily mean that employer engagement is not supporting career guidance, but it requires careful management to ensure that these two functions are well joined and that synergies are maximised.

A recent study by Bellis et al. (2011) found that the majority of initial employer engagement with Jobcentre Plus within Local Employment Partnerships (LEPs)<sup>2</sup> involved large privatesector organisations, the exceptions being the NHS Trusts and Local Authorities, although increasingly SMEs were becoming more involved too. The main driver for involvement by employers was support in the recruitment process, including advertising vacancies, matching and screening candidates, sifting applications and arranging interviews. LEPs were also seen to benefit the social-inclusion and cost-reduction agendas of employers. The work trial was further seen as a key benefit to employers, particularly among small employers who saw them as a safety net before offering a permanent contract. Not all employer experience in this area is positive. Thus Shury et al. (2011) found that employers are less satisfied with Jobcentre Plus than with other recruitment channels. The CBI (2011) has articulated further criticisms and has called for a greater focus on transition to work and on the development of more sophisticated assessments. Key issues articulated in this respect are the quality and motivation of applicants and the quality of service offered by the organisation itself. A study by Joyce et al. (2006) of an Employer Engagement Strategy that particularly supported disadvantaged clients within Jobcentre Plus found that employers felt that the job-matching service would benefit from longer and more detailed job descriptions, improved search facilities which concentrated on smaller geographical areas, and better follow-up services.

 $<sup>^{2}</sup>$  Note these LEPs are not the current Local Economic Partnerships. Rather they refer to the Local Employment Partnerships introduced in 2007 which aimed to increase the propensity of employers to recruit disadvantaged people into work.

In higher education, the connection between employers and career guidance providers is well-established (Watts, 1997; Watts & Butcher, 2008). AGCAS (2010) listed a wide range of different ways in which higher education careers services engage with employers (fairs and fairs and talks, vacancy services, involvement in advice and training, and various forms of work experience and work-related learning).

The Call for Evidence suggests that, when vacancies exist, employers are active in this action space in a variety of ways (Figure 6).

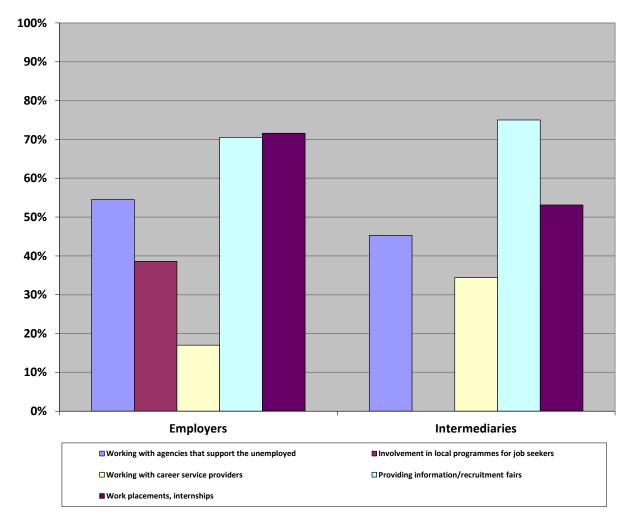


Figure 6: Employer and intermediary involvement in recruitment-related activity (n= 88 employers; 64 intermediaries)

Several employers noted the contingent nature of recruitment activity, with the existence of job vacancies in their organisation acting as a trigger for this type of career-oriented action. One employer noted that the lack of current recruitment activity impacts on their engagement in career guidance activity through, for example, careers fairs.

Nonetheless, a substantial majority (more than 70%) of employers responding to the Call for Evidence have been involved in this action space, through a number of activities such as providing work placements, volunteering or internships. Intermediaries, too, are active in this action space, working with employers to provide information about job opportunities through, for example, advertising/recruitment fairs. More than half the intermediaries have been involved with employers, facilitating/brokering work placements, volunteering opportunities or internships for unemployed people.

Responses to the Call for Evidence identified a range of approaches in this action space. For instance, Apprenticeship programmes are mentioned as delivering the best results for some employers by connecting young people to learning and career progression. One respondent suggested that 'young people tend to be more committed to training and any jobs that result (from Apprenticeship programmes)'. Other employers noted the contribution of partnership working in delivering the best results for employers. For example:

'Careers fairs and support from local educational and training providers who offer advice to our staff help us to secure apprentices.'

Work experience, through placements or internships for example, are identified by some employers as providing the best results. The responses to the Call for Evidence suggest the important role that the design of work experience has to play. For example, employers suggest that they may need to change the nature of the work experience for different job seekers and that developing awareness of career options should be a key element of the work experience:

'Relationships have been built up with school leavers (through work placements) who have then returned during holiday time and eventually into more formal work placements and then full time employment following further education courses.'

'Internship opportunities, particularly for school leavers and undergraduates. These have provided opportunities for young people to gain practical experience in our industry, increasing their awareness of career options that might be open to them whilst also enhancing their CV. This has proved particularly valuable during the current economic downturn, where full-time work opportunities are difficult to find, particularly for people with limited experience.'

A small number of employers identified the benefits associated with the provision of career guidance to job-seekers. For example, one employer noted the following:

'The reputation of the employer has increased the quality and quantity of applicants to roles within the organisation and therefore by nature of the selection procedure has raised the skills levels of recruits into the organisation.' Intermediaries responding to the Call for Evidence noted that the benefits employers realise through this type of activity included:

'Better prepared candidates! Less hassle from unsuitable candidates, who can be better steered to more appropriate employers.'

'I feel that careers guidance is more than just a recruitment process e.g. recruitment is primarily a matching process whereas guidance goes deeper to establish other motivating factors such as where and how does the candidate want to progress. What do they want from the role as well as what they can give so the guidance process is looking deeper into less quantifiable measures not just matching in terms of skills for the job but also whether other factors about the positions tally. This in turn is more likely to result in a satisfied work force meaning that staff turnover is likely to be reduced saving time and money for the employer.'

A couple of intermediaries responding to the Call for Evidence noted the value of a preselection process to employers, without elaborating on the characteristics of this process.

- Activities in this action space might include:
- Provision of vacancy information.
- Provision of other career and labour market information.
- Career guidance providers undertaking pre-assessments or supporting recruitment / matching agencies.
- Employer presentations and presence at careers fairs.
- Contributions to workshops about the recruitment process and other employability skills.
- Provision of work experience and work-related learning.

### 7.3 Action space 3: Workforce development

The third action space explores the ways in which career guidance can inform employer practice within the workplace. Unlike the other action spaces, this is not normally about the relationship between the employer and a third-party career guidance provider. Rather, in this case, career guidance is a set of practices which are typically driven from the human resources or workforce development elements of the business.

Section 6 set out some of the conceptual rationale for career guidance in the workplace, from the perspectives both of the individual and of the employer. For the individual, the

opportunity to continue to access a framework for career development supports sustained employability and career adaptability and therefore can be seen as an extension of preemployment career guidance. However, a study by the LSC (2007) argued that in order to successfully tackle worklessness, there need to be campaigns both to engage employers in the organisational benefits of career guidance and to raise the awareness and take-up of career guidance amongst employees. For many employers, the idea of investing in the career development of their existing workforce is a challenging one. Blyth (2003) found that in contrast to their investment in outplacement, many companies invest considerably less in the career development of those who survive redundancy, despite the fact that they have more direct impact on future organisational aims.

- Hirsh & Jackson (2004: 6) articulated the main benefits to employers engaging in career development for their employees as including:
- Careers are how higher-level and business-specific skills and knowledge are acquired. Employees undertaking sequences of work experiences progressively grow those skills.
- Careers are how skills and knowledge are deployed and spread in organisations, as employees move from one job to another in response to where they are needed.
  Such deployment and knowledge sharing are critical to organisational flexibility.
- Career movement is also how culture and values the 'glue' of the organisation are transmitted, and how personal networks are extended and strengthened. Corporate culture and networks are often key to rapid and effective action.
- Career development is a major tool for attracting, motivating and retaining goodquality employees.

Despite the strong rationale for career guidance within organisations, Blyth's (2003) findings echo much other research on this topic. Cedefop (2008) found that employers across Europe often have poor provision for the career development of employees, frequently leaving this to informal processes or seeing it as part of performance management. Cedefop also noted that trade unions or other intermediaries frequently provide career guidance within companies, often with little involvement from the employees themselves. Hirsh (2007) identified a number of barriers to career development for employees by employers, including fear of the future, the possibility of raising employee expectations which the organisation may not be able to satisfy, and the particular fear that discussing career issues may make employees wish to leave. However, Hirsh also identified some positive results, including: growing critical skills within the organisation, which are often not available in the external

labour market; improved deployment of people in jobs where their talents are well used; improved ability to attract good people and possibly retain them; and improved flexibility in the workforce and therefore improved ability to respond to business change (Hirsh, 2007: 4). Similar rationales for employer engagement in career guidance are set out by Nealt (2000) and McQuaid et al. (2010).

This does not mean that there is not a considerable body of career guidance practice within workplaces. A survey by MORI and the Guidance Council (Taylor et al., 2005) found that a third of employees received career guidance through their employment, and that most of this was as part of an appraisal process delivered by either a line manager or supervisor. Taylor et al. also found a high level of general employee satisfaction with career guidance delivered by their employer, with 86% agreeing or strongly agreeing that it met their own needs, and 86% also agreeing that they were fairly or very satisfied with the overall level received.

The other main source of work-based career guidance in the UK, particularly for low- to intermediate-skilled employees in unionised workplaces, is trade unions (Hughes & Haughton, 2006; Clough, 2009). A study by the Trades Union Congress (2003) identified how Union Learning Representatives were supporting workers with career guidance in the workplace by offering learning opportunities, developing careers thinking, pointing out job opportunities, supporting people facing job loss, developing new skills, improving customer care and developing a learning culture. The Barclaycard case study in the accompanying report (*Developing Business, Developing Careers*) provides an effective summary of this range of activity. It is worth noting as a point of comparison that in France an advice and guidance service is available to workers, which is paid for by employers through a mutualised training levy (Bartlett, Rees & Watts, 2000).

Within the workplace, career guidance is frequently difficult to distinguish from more general human resource management processes. However, there is research which shows a relationship between job satisfaction/employee engagement and the ability to conceptualise the current work within the frame of career development. Barnett & Bradley (2007), in a study of the relationship between organisational support for career development (OSCD) and the career satisfaction of 90 private and public-sector employees in Australia, found that OSCD and employee participation in career management behaviours were positively related to employee career satisfaction. A study by Scales (2010) found that employers who provide career development opportunities have better employee engagement, are less likely to lose talent and are more productive than equivalent organisations that do not.

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Hughes & Haughton (2006) found that employers were more comfortable using terms such as mentoring, coaching and appraisal to describe the kinds of activities which elsewhere in this review have been identified as career guidance. They also noted that employers were generally reluctant to encourage their employees to engage with an external resource (such as a career guidance provider) other than in specific circumstances such as large-scale redundancy or restructuring. This is not to say that external career guidance providers have nothing to offer employers outside times of crisis and transformation. Nealt (2000) argues that career guidance providers can offer employers and employees considerable benefits both in terms of delivering career guidance direct to employees and through training linemanagers to be more effective in giving feedback and building employee resilience and motivation.

The Call for Evidence suggests that a majority of employers and a sizeable minority of intermediaries responding to the Call are active in this action space (Figure 7), and that their activities cover each of the facets of career guidance identified in the literature review.

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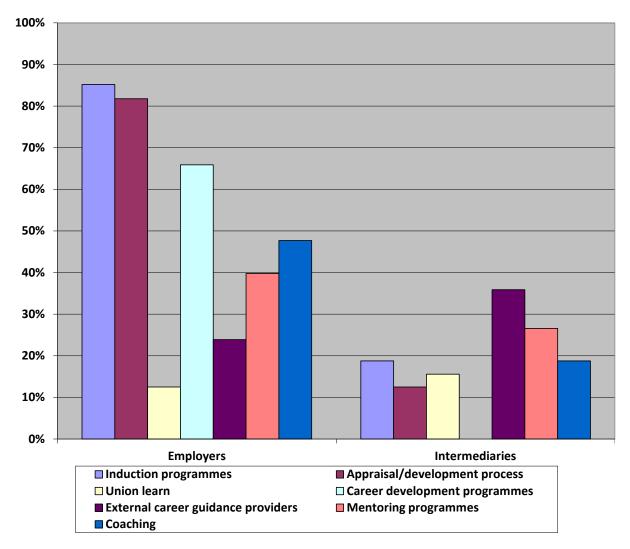


Figure 7: Employer and intermediary involvement in workforce-development-related activity (n= 88 employers; 64 intermediaries)

As the literature suggests, activity in this action space is largely associated with the human resource development practices adopted by the employer. Several employers reported the role of induction in providing strong results for employers, for example in the following comment:

'We have always had a comprehensive induction programme for all new recruits, from team members to directors. No-one starts their job until they have been through the induction programme which takes one week. During this time the new employee gets to know about our products and services and goes round every department to meet all the staff and get to know what each department does. This has always been appreciated by new recruits.'

A well-designed induction process can make the transition to the world of work a smooth and enjoyable experience as well as providing an insight into the potential development opportunities that may be pursued at a later date. For the majority of employers contributing to the Call for Evidence, career guidance is part of an ongoing process of workforce development which links both employment and learning opportunities with some form of organisational development:

'For the continual growth of the business (30 years in business) we need to be effective in the development of our employees. Average service is 16 years with 10% of the workforce here 30 years. We have a good career development where senior managers came from the shop floor.'

'In 2009 we avoided redundancies by implementing a strategic training plan. One year on when the upturn arrived we were able to meet a 40% increase in product demand.'

Several employers associated the benefits of career guidance with improved organisational performance. One provided persuasive evidence of the benefits in terms of staff turnover, performance and productivity:

'By upskilling staff in preparation for progression, the organisation are ensuring staff have the right skills to hold a new role. The staff feel empowered to make their career decisions and choose to remain within the organisation. This shows continued loyalty to the organisation. Staff turnover is as low as 4%. This leads to an increase in productivity and a reduction in customer complaints (down 34% in 09/10).'

Several employers identified the importance of human resource development processes such as induction and performance or personal development reviews in retaining and developing employees:

'Induction and regular performance reviews of employees. This ensures that employees feel valued and important. Ensures the organisation recognises and utilises fully skills and aptitudes held by the whole workforce.'

A majority of intermediaries responding to the Call recognised the benefits to be realised by the provision of career guidance:

'Good careers advice can unearth the talent within an organisation and help support the challenges facing employers. To invest in quality advice and training opportunities sends an important message to the staff. It signals that the employer values them and is willing to support them. It is good for staff morale.'

*Competitive advantage, more motivated workforce, higher skilled personnel, potential to promote the right staff, ability to retrain as required, more loyal staff.* 

The Call for Evidence suggested that some intermediaries are actively involved in this action space through their work with employers, most frequently with activities to support appraisal/development processes and mentoring support. Activities in this action space might include:

- Induction programmes designed to engage new employees and to support sustainable employment.
- Development of strong processes of developmental appraisal and performance review.
- Union learning activities.
- Provision of programmes of training and development activity.
- Partnership working with external career guidance providers.
- Mentoring programmes.
- Performance coaching.
- Volunteering programmes.

### 7.4 Action space 4: Redundancy

The fourth action space is related to the process of redundancy. There is a strong tradition of employer engagement with external career guidance providers as part of redundancy strategies and managing organisational change and decline. For workers, periods when their current job becomes insecure are likely to be key times when they seek out career guidance. Given that the use of redundancy is becoming increasingly normalised as a management strategy, enabling both employers and employees to negotiate redundancy periods successfully is likely to be crucial in maintaining human capital and ensuring that people are able to engage with the labour market after every transition (Doherty, Tyson & Viney, 1993). Clarke (2007) found that, when faced with job insecurity, many mid-career workers still failed to actively manage their career or develop their employability. However, this group can also find publicly provided career guidance difficult to access, for reasons both of entitlement and of accessibility (Cedefop, 2008). Once redundancy processes become a reality, it is common for employers to engage a career transitions or outplacement company to help to manage the process (Doherty, Tyson & Viney, 1993). Indeed, in some European countries there is a legislative requirement for some kind of outplacement service to be offered alongside redundancy (Darmon, Perez & Wright, 2010).

It is possible to identify outplacement as being a specialised form of career guidance activity. While outplacement companies employ a different set of professionals from adult career guidance providers, their practices frequently overlap (Carroll & Holloway, 1993). Campbell (1996) describes the range of activities offered by outplacement as including redundancy counselling, group seminars, workshops, career planning, job skills/experience analysis, jobsearch facilities, general advice on a wide range of issues, and preparation for the transition. Cedefop (2010) concluded that career guidance can make a positive contribution to redundancy and restructuring processes and that it can support employers to manage these processes in a 'socially responsible' way.

The Call for Evidence suggests that a minority of employers and intermediaries responding to the Call are active in this action space (Figure 8).

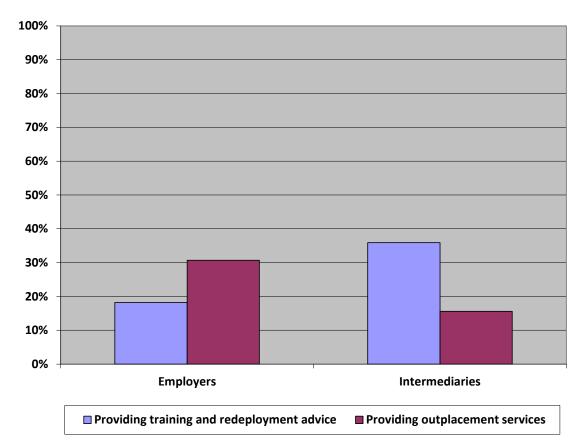


Figure 8: Employer and intermediary involvement in redundancy-related activity (n= 88 employers; 64 intermediaries)

A sizeable minority of employers and intermediaries (more than one in three) responding to the Call are involved in at least one aspect of career guidance activity in the action space associated with redundancy. But no contributors to the Call detailed their practices in this action space. Activities in this action space might include:

- Engaging third-party outplacement/career solutions companies.
- Redundancy counselling.
- Skills workshops.
- Training and redeployment advice.
- Support for job search.

### 7.5 Action space 5: Community engagement

The fifth and final action space explores how employers engage with the issue of unemployment as part of their wider strategies of community engagement. As already discussed in section 5, some employers see a range of benefits in engaging with disadvantaged and workless individuals. These provide opportunities for employee skill development that have already been reviewed as part of the workforce development action space. They also have the potential to provide reputational advantages and fulfil aspirations for corporate social responsibility. A recent report by Business in the Community (2011) identified a number of ways in which employers can become active in the community:

- Secondments Employees can be formally released by their employer to undertake a specific task or even a full-time job for a community organisation. This can vary from one day a week, to three months, or even to a year or more.
- Skills-based volunteering (including pro-bono) A key type of engagement, involving employees taking part in volunteering activity which makes use of their specific abilities, competencies or knowledge.
- Personal volunteering Any individual unpaid activity carried out for the benefit of the community, organised or carried out as a result of the employee's own initiative, but which is supported by the company in some way.
- Workplace activity such as work experience Activities benefiting the community which take place in the workplace. For instance, many firms host visits from school children or offer one-week training places.
- Mentoring and other one-to-one support This might include career advice or a reading support scheme, where an employee works with an individual on a one-toone basis at regular intervals. This would include programmes such as Working Families Everywhere (2011).

- Management committee / trustee positions Usually involving a relatively senior member of the company who sits on a governing board or takes up a position on the committee of a community body, to assist in the strategic direction of that organisation.
- Team volunteering This includes 'challenge' events, where a group of staff work together to achieve a specific benefit to the community, such as an environmental project.
- Employee fundraising Raising money for charitable causes with support of the employer, such as matched funding, fundraising during work time, or fundraising which is publicised by the employer or payroll collection.

The research also identified a number of advantages to employers of community engagement. These included:

- Reputational benefits: value/impact of press coverage, improved relationship with government/regulators, improved relationship with the community, being known as employer of choice, brand building/profile, external recognition of work (e.g. awards).
- Employment benefits: retention, recruitment, morale, team building, pride in the company, improved employee 'proposition', transfer of skills to business, talk positively about the company, improved internal relations and internal communications, cost savings on training / recruitment / team building etc., do job better.
- Other stakeholder benefits: raised customer awareness, meeting customer expectations, improved customer perception of the company, raised stakeholder trust, improved customer loyalty, improved business-to-business (B2B) relationships, enhanced supplier relations.
- Commercial productivity: increase in sales, increase in business activity, competitive advantage, development of new products and services, operational savings and development of new policies / procedures (Business in the Community, 2011: 7).

Much of this activity is traditionally situated in relation to learning providers (schools, colleges and universities), which provide the infrastructure around which employer engagement can be organised. However, it is also possible that career guidance providers could fulfil some of this function in relation to job-seekers.

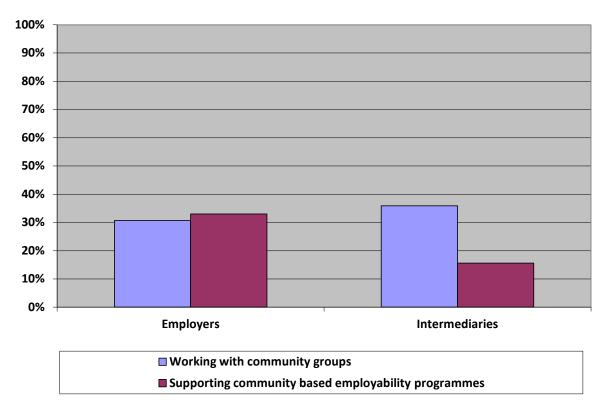


Figure 9: Employer and intermediary involvement in community-engagement-related activity (n= 88 employers; 64 intermediaries)

The Call for Evidence indicated that a sizeable minority of employers and intermediaries responding to the Call are active in this action space (Figure 9). More than one in three are involved in at least one aspect of career guidance activity associated with community engagement.

The Call for Evidence provided limited further evidence of activity in this action space. A couple of employers make specific reference to their corporate social responsibility commitments as reflecting activity in this action space. For example, one employer noted:

'With a Corporate Social Responsibility to work with the communities that we serve we can influence their ability to become employable. The North West has the highest percentage of NEET job-seekers in the country. By engaging with communities, colleges and Jobcentre Plus clients, the organisation is supporting communities and increasing the employability of the people within them. It shows that the service is quality and the reputation of the employer is solid, that we continually receive high numbers of applications for vacancies within the sector. By supporting job-seekers into the roles of the sector we are providing employers with knowledgeable staff. Applicants are not entering into their role without an awareness of the requirements within the sector. This also helps the applicant. They have become more job-ready.'

Intermediaries also report the benefits employers realise through activities in the community:

"....even if they are just ticking the box. For employers in less well known industries, the chance to raise their profile and attract desirable candidates."

'Benefits to the community – motivating young people, wider range of people interested in that employer/type of work, good publicity.'

Activities in this action space might include:

- Mentoring.
- Support for community enterprises and social business.
- Support for community-based employability programmes.

### 8 Characteristics of good practice

A key aim of the Call for Evidence was to provide an opportunity for employers and intermediaries to identify good practice in relation to the role of employers in career guidance. Twenty-two employers and sixteen intermediaries provided examples through the Call. In addition, eight employer case studies have been developed to illustrate career guidance processes and the benefits that result.

The case studies and the responses to the Call for Evidence suggest several key benefits and critical success factors that are apparent in various combinations and which are reported by employers and intermediaries as constituting good practice. These are summarised in Table 2 below:

Critical Success Factors	Benefits
Partnership approach	Lower recruitment costs
Effective human resource development (including inclusive recruitment, jobs with training and development pathways)	Employee commitment and motivation
	Better customer service
	Improved company image
High-quality learning provision related	Staff retention
to employment	Flexibility – productivity
High-quality career guidance, raising aspiration and leading to informed decision making	Better succession planning and talent management
Senior management championing	
Targeted information provision to specific labour market groups (e.g. school leavers, graduates, homeless)	

Analysis of the responses to the Call for Evidence including the case studies has enabled the identification of some general characteristics of good practice in relation to the role of employers in career guidance. These include the development of productive partnerships between employers and intermediaries, the employers' own approach to human resource development, and an understanding of the benefits that can be realised through employer engagement with career guidance (Figure 10). Each will be discussed in turn in the next section. It is likely that other employers will be able to supplement this list of critical success factors and benefits as the method adopted is unlikely to yield exhaustive evidence.



Figure 10: Characteristics of good practice emerging through the Call for Evidence and case studies

### 8.1 **Productive relationships**

Analysis of the responses to the Call for Evidence suggests that the main factor that led to the establishment of effective action spaces was the creation of a productive relationship between employers and intermediary organisations. The intermediary organisations involved in the delivery of career guidance or closely related activities are highly varied. They include:

- Schools, colleges and universities.
- Professional associations.

- Various charities and social enterprises.
- Unionlearn.
- Sector Skills Councils.
- Next Step.
- Local Chambers of Commerce.
- Jobcentre Plus.
- Recruitment Agencies.

As can be seen, this list includes specialist career guidance providers alongside a range of other organisations that are involved in some aspect of career information, advice or guidance. Information provision, particularly from employers to intermediaries, and the targeting of specific labour market groups (e.g. school leavers, graduates, people with a disability, homeless people), are identified as elements of good practice by both employers and intermediaries.

The extent and nature of these partnerships and relationships is highly variable. For example, working with local schools was the most frequently mentioned relationship described by employers responding to the Call for Evidence. However, the nature of this activity is diverse and can include workshops for students (regular or ad hoc), careers talks and the introduction of learning materials into the curriculum. In some instances, the relationship between the employer and the intermediary develops around the exchange of labour market information: if the experience is valued by the employer(s) and the intermediaries, they may choose to continue or develop it further.

A different type of approach may seek to develop a more strategic relationship than is suggested by the experiences outlined above. This may be planned, as illustrated in the case study of Morrisons Supermarkets and Create (Social Enterprise), which established a strategic relationship at the outset of their partnership working; or emergent, as in the case of Barclaycard and the Unionlearn Insight Centre, where the relationship continues to evolve over time. In the case of Arla Foods, the company is working in partnership with a specialist College to provide customised training and provide employment opportunities for new and existing employees.

The employer decision to engage in a relationship with other organisations and to participate in career guidance appears to be driven by its own commitment to workforce development and is embodied in its own human resource development policies and practices.

### 8.2 Employer human resource development policies and practices

Employers responding to the Call for Evidence identify their own approach to human resource development as an important pre-condition for the creation of an effective action space. Where employers see a strong business rationale for supporting the development of their staff, and put in place policies and practice to support this, ideas related to career guidance and career development have a far better chance of taking hold. Employers were able to relate their human resource development practices to many of the career development processes identified in the previous section.

Some employers and intermediaries reported the importance of induction processes for new recruits, in terms both of supporting the retention of a new employee(s) but also of laying the foundations for future development. This could equally be seen in career guidance terms as providing support for transitions. While employers are usually conceiving this human resource development in terms of employees' future within their organisation, it simultaneously builds the employability of workers and enhances their chance of sustaining a relationship with the labour market. These kinds of different but aligned objectives further illustrate the action spaces concept.

Access to development opportunities is a key to progression in the workplace and employers identify both formal and informal training as an essential element of good practice. The case of Arla Foods illustrates the role of employers in the design and development of relevant qualifications and the benefits that this brings in terms of addressing organisational skills shortages and gaps. Employees who graduate from the programme are able to see career progression opportunities which motivates them to stay with the company.

In some instances employers adopt an explicit career guidance dimension to their human resource management practices. For example, both Barclaycard and Bupa & Wellbeing UK have developed career guidance capacity to support progression both internally and in the wider labour market. However, employers do not usually use the language of 'career guidance' to describe the internal activities that they are using as part of human resource development. Instead, they often use terms such as 'mentoring' or 'coaching' to describe activities that deliver some of the same outcomes. The Call for Evidence suggested that employers see mentoring and coaching as a means of supporting the development of careers for their own employees. Through the Call, intermediaries also reported the effectiveness of mentoring associated with the recruitment process. They drew attention to the effectiveness of this approach when it is undertaken by middle (as opposed to junior) managers or HR professionals who have considerable experience of the recruitment process and can respond well to questions and provide inspirational examples for job-seekers.

Whilst identifying mentoring and coaching as a way to drive employee engagement and workforce development, some intermediaries report the potential tension between employer (or line manager) and employee interests. While activities within the action spaces frequently align, the different interests and objectives are sometimes in conflict. While professional publicly-funded career guidance aspires to deliver impartial guidance, guidance activity within employer organisations is likely to need to attend more closely to the business need. Professionals operating within this environment will clearly need to think carefully about the partiality and transparency of the service that they offer to employees. One approach to managing this is illustrated through Barclaycard's

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partnership with Unionlearn and the decision to develop internal independent guidance service delivered by trained career practitioners.

The majority of employers contributing to the Call for Evidence note the effectiveness of mentoring as part of a package of interventions which are embedded within human resource development practices that often also have a relationship to the career guidance practices described in this report. These include performance management, development reviews, opportunities for learning (including accredited learning) and succession planning. The effective co-ordination and delivery of these human resource interventions can have a positive impact on recruitment and progression, which benefits both the individual and the organisation.

### 8.3 Awareness and recognition of the benefits of career guidance

As discussed in the previous section, employers' human resource development practices frequently include elements that relate to career guidance. However, many employers have relatively low levels of understanding both of the concepts of career guidance and how these might be useful to them, and of the various providers of career guidance. In many cases a mutual understanding of the nature of career guidance is likely to be useful in underpinning the creation of effective action spaces. Both employers and intermediaries responding to the Call for Evidence suggested that there would be value in increasing employers' knowledge base related to career guidance.

One of the key themes emerging through the Call for Evidence is the need for intermediary organisations to adopt a proactive approach to employer engagement. Employers (and some intermediaries) report the need for intermediaries to develop awareness of what they have to offer and how employers can get involved. 'Selling the benefits' of a transparent, straightforward, guided and non-bureaucratic process are often key factors in the formative stages associated with raising awareness. The provision of excellent customer service is an additional requirement to encourage employers to develop a relationship with an intermediary. The Call for Evidence suggests that employers are likely to engage with the process if they understand it and value it. However, a small minority of employers also reported the need for financial incentives to stimulate engagement with this agenda.

Most employers want to know what the anticipated benefits of career guidance are likely to be prior to engaging with it. One employer responding to the Call for Evidence suggested that there should be an evidence base which demonstrates the benefits in the economic terms of a return on investment. Several others reported the need to demonstrate to employers that career guidance results in better outcomes associated with staff retention or recruitment, for example (as illustrated in the case-study report).

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The majority of intermediaries responding to the Call for Evidence reflected these views and recognised the need to provide examples of good practice and to 'sell the benefits of career guidance to employers' or 'show what's in it for them'.

### 9 Issues arising from the research

This study has explored the relationships between employers, career guidance and job seekers through a literature review, a Call for Evidence and a series of employer case studies. The literature review element of the study suggested that there is very little previous work that has explicitly addressed the issue of the relationship between employers, career guidance and unemployed people. However, there is a range of relevant work which addresses issues relating to this nexus. An examination of this literature, combined with empirical work with employers and intermediaries, has enabled the authors to draw the following conclusions:

- Career guidance has the potential to play an important role in re-engaging job seekers with the labour market and supporting employers to engage with this section of the labour market.
- The interests of employers, career guidance providers and job seekers are different, but frequently align, and can be brought together through the concept of an 'action space'.
- It is possible to identify five action spaces where employers, career guidance providers and job seekers are likely to be able to find mutual benefit. These address the issues of influencing the labour market, recruitment, workforce development, redundancy and community development.
- Employers and intermediaries who participated in the study reported activities in each of the action spaces, although they frequently use a different language from that of career guidance providers to discuss these action spaces.
- The creation of effective action spaces seems to be underpinned by the ability of employers to develop effective relationships with intermediaries, by the human resource development approach taken by the employer, and by the existence of a mutual understanding of the benefits of career guidance.
- In the light of these findings, the report will conclude by raising a series of issues for consideration by employers and career guidance providers.

### 9.1 For intermediaries

### What levers exist to engage employers in career development?

Given the potential value that can be seen in employer engagement with career guidance, there may be value in exploring what levers exist to raise these issues within employer organisations.

## How can intermediaries help to clarify employers' understanding of the nature and value of career guidance?

Many employers were unclear about the role of career guidance providers and the nature of the services that they provided. Providers and other bodies that speak for career guidance should consider whether there would be value in a campaign or process of employer engagement to address this issue. In particular it would be valuable to consider how intermediaries could support the transfer of practice between different employers.

## Do alternate forms of career guidance practice need to emerge to maximise the potential of the action spaces?

The action spaces idea has the potential to change the way in which career guidance is located within the labour market. An action spaces approach sees career guidance as a partnership through which different stakeholders can advance their agendas, rather than a service that is provided by the public sector to individuals. This kind of partnership approach may lead career guidance providers to think through their delivery paradigms. This may lead to alternative forms of practice which seek to engage and empower employers, perhaps through the provision of training and consultancy, and enable providers to extend their reach.

### 9.2 For employers

Could employers realise business benefits by attending to the career development of employees as part of their human resource development approach? The study raises a number of issues related to the human resource development approach that is taken by employers. It suggests that there may be value for both employers and employees in revisiting human resource strategies through the lens of career development.

### How can employers improve their understanding of career guidance providers that they may work with?

The study also suggests that employers can work effectively with career guidance providers, but that this requires both parties to develop their understanding and their approaches to working together. Employers may be encouraged to map providers in their area or sector and to consider where appropriate partnerships might be built.

## How can employers build on existing practice within their organisation to enhance their capacities for career development?

The study suggests that there is a considerable raft of practice within employing organisations that overlaps with career guidance. For example, staff engaged in mentoring and coaching may benefit from some engagement with the practice of career guidance. The decision by Unionlearn to qualify many of its Union Learning Representatives as careers practitioners offers a concrete example of how this can be applied effectively in the workplace.

### 9.3 For researchers and research funding bodies

## Is further research required to explore relationships that may exist between the characteristics of employers and their orientation towards career guidance?

The study identifies the diversity of the business population. Further research is required to identify the implications of employer characteristics, such as business size and sector, to develop understanding and inform policy associated with the role of employers in career guidance.

## Would further research be able to increase understanding of the nature of effective partnerships between employers and career guidance providers?

The development of a productive relationship between employers and intermediaries is the cornerstone of effective working. Further work is required to identify the key characteristics associated with the development and sustainability of these relationships. A review of practice in other sectors (e.g. further education, higher education, privatesector business-to-business relationships in similar arenas) may inform policy and practice in this regard.

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# Appendix: Call for Evidence and case study methodology

E-survey software (Survey monkey) was used to distribute the Call for Evidence widely amongst career professionals and employers. It was circulated to more than 4,000 career development professionals (referred to as intermediaries) via the Institute of Career Guidance and to 40,000 employers via the Investors in People database held by the UK Commission for Employment and Skills. The Call was also placed on the websites of the UK Commission for Employment and Skills, the University of Derby and Leeds Metropolitan University, and distributed to specific network contacts.

The Call for Evidence included a short briefing paper outlining the nature of the study as a whole and the key themes emerging through the literature review. Bespoke datacollection instruments were designed for the two stakeholder groups to collect evidence associated with four themes:

- Employer engagement in careers guidance activities.
- The effectiveness of career guidance.
- The benefits (for employers and individuals) associated with career guidance.
- The best ways of encouraging employers to contribute to career guidance.

A total of 64 intermediaries and 88 employers responded to the Call for Evidence. Intermediaries responded from a range of sectors and organisations including Connexions, Sector Skills Councils, trade unions, Local Authorities and further and higher education (only 12 contributors to the Call recorded the organisation they worked for). Employers responding were drawn from a range of sectors across the manufacturingservices spectrum of the economy and included employers of varying size (from less than 10 to over 200). The data collected were however limited, with more than half of those responding to the Call not progressing beyond section 1 of the Call for Evidence.

The Call also asked for respondents who would be willing to participate further in the research process. Those who responded positively were invited to elaborate further on the processes they highlighted in their submission with a researcher either via a face to face or a telephone interview. Further case studies were undertaken with employers who were identified through network contacts that could provide specific information about activities across the action spaces.

The structure of the literature review was used as a framework to organise the data collected through this process. This enabled us to add empirical evidence to support the findings emerging from the analysis of the literature and to identify gaps for further exploration. The data are reported in terms of the two key stakeholder groups identified in

the Call for Evidence: employers and intermediaries. The data are unlikely to be representative, given the relatively small number of respondents to the Call for Evidence and the self-selected nature of the sample.

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The UK Commission for Employment and Skills is a social partnership, led by Commissioners from large and small employers, trade unions and the voluntary sector. Our mission is to raise skill levels to help drive enterprise, create more and better jobs and economic growth.

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