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Employers' experiences of  
employing those who have  
been workless:  
Literature Review  
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# Employers' experiences of employing those who have been workless: Literature review

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# 1 Introduction

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The Observatory is undertaking a 3 year programme of research to inform the Economic Inclusion Panel. As part of the wider programme of work on economic inclusion, several projects were identified by partners as key areas for future research. One of the areas identified was the attitude of employers towards employing people who are long-term unemployed.

To explore the area of employer engagement with long-term workless people, the first stage of this research has been to carry out a review of programmes already in place in which employers play a key role.

This review presents some examples of programmes where employers have been involved in engaging with long-term workless people to try to answer the research questions set:

- How can employers engage with the long-term workless?
- Are there areas of good practice in engaging those previously disengaged?
- Are there lessons to be learned from less successful initiatives?

Examples have been taken from the West Midlands where possible but the review also includes projects that operate nationally. This is not supposed to be an exhaustive list of all the projects in which employers are involved, but provide a picture of the types of programmes in operation. Not all of the projects are employer-led but all have required the involvement of employers.

Over the last decade the Government has introduced a series of measures to help workless people into work in the belief that paid work is the best route out of poverty. Several employment programmes<sup>1</sup> for people who are unemployed have been established with the aim of increasing the employment rate to 80%. In 2008 further welfare reforms were rolled out, mainly aimed at supporting those claiming Incapacity benefits and lone parents claiming Income Support back into work. A lot of the focus has been on helping those who have been out of work for six months or more.

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<sup>1</sup> The New Deal programmes and Employment Zones are two examples of these and these are discussed as case studies in section 2 below.

However, the recent economic recession has meant that there is now a whole new group of jobseekers who have been out of work for a much shorter time. The Government now has to manage the needs of these two different groups of people. Jobcentre Plus has extended its range of early support measures to help those people who have recently become unemployed.

Alongside this, and the current employment programmes to help the longer-term unemployed, the Government has also announced a new scheme in which employers will be offered up to £2,500 to recruit and train someone who has been out of work for more than six months. The package to help this group of people will also include more support for people who want to become self-employed or take part in a volunteering scheme. This offer will come into force in April 2009.<sup>2</sup>

## 1.1 Context

In a recent report by the Joseph Rowntree Foundation<sup>3</sup>, having good links with local employers was identified as one of the features of a successful intervention to help workless people back into employment. The report says that:

“Good relationships with employers not only help with immediate placement into jobs, but also with post-employment support and the potential to influence recruitment practices in the longer term.” (p15)

However, engaging with employers is not always easy and there can be reluctance from some employers to recruit people who have been out of work for long periods.

In a survey of over 3,000 employers<sup>4</sup> who had recently tried to recruit to low skill jobs, 74% said they would definitely consider recruiting someone who had been out of work due to ill-health or caring responsibilities and a further 16% said ‘yes possibly’. Larger employers and those in education and health sectors were more likely to say that they would consider this.

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<sup>2</sup> <http://www.dwp.gov.uk/mediacentre/pressreleases/2009/mar/stat-180309.asp>

<sup>3</sup> ‘Local initiatives to help workless people find and keep paid work’ (2008) Joseph Rowntree Foundation <http://www.jrf.org.uk/sites/files/jrf/2246.pdf>

<sup>4</sup> ‘DWP employers survey (2007) DWP research report no. 419 <http://www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep419.pdf>

Although generally employers say they would recruit someone who has been out of work, in another publication by DWP<sup>5</sup>, the authors cite some research which suggests that the length of time someone has been out of work might be important in employers' decisions about recruiting them. The report finds that although employers did not have negative perceptions of those who are unemployed, they tended to see unemployment as a short-term state and may not have the same perceptions about those who have been unemployed or economically inactive for longer periods of time. Furthermore, the employers who had recruited someone who had been long-term unemployed said this was a negative experience and meant that they would not look to this group of people for their recruitment needs again.

Some groups of long-term workless people may face greater challenges than others in overcoming employers' negative perceptions of them. A survey of employers by the Chartered Institute of Personnel and Development (CIPD)<sup>6</sup> found that employers were much more likely to have hired someone who was long-term unemployed (25% of employers) than someone who had been claiming Incapacity benefits (only 7%). Although this may just reflect the higher level of turnover amongst the long-term unemployed group, it is still an important statistic as there are a far greater number of long-term workless people who are claiming Incapacity benefits, and classed as economically inactive, than unemployed.

So, people out of work with health problems seem to face a greater degree of disadvantage than those who have been unemployed for a long period. For people who have mental health problems this disadvantage is even greater. A recent publication from the NHS<sup>7</sup> reports that 38% of employers would not hire someone with a mental illness and one in three employers think that people with a mental illness are less reliable than other employees.

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<sup>5</sup> 'What employers look for when recruiting the unemployed and inactive: skills, characteristics, and qualifications' (2005) DWP research report no. 295

[http://www.agepositive.gov.uk/publications/pdf/What\\_employers\\_are\\_looking\\_for.pdf](http://www.agepositive.gov.uk/publications/pdf/What_employers_are_looking_for.pdf)

<sup>6</sup> 'Labour market outlook: quarterly survey report (Spring, 2006) CIPD

<http://www.cipd.co.uk/NR/rdonlyres/2EF73C38-3BCA-4D6F-BF75-7E3F5D9BAFC9/0/labmktout0506.pdf>

<sup>7</sup> 'Mental health and employment in the NHS' (2008) NHS Employers

<http://www.nhsemployers.org/Aboutus/Publications/Documents/Mental%20health%20and%20employment%20in%20the%20NHS.pdf>

Another CIPD survey of employers<sup>8</sup> found that, of people who are claiming Incapacity Benefits or are long-term unemployed, employers were more likely to have hired someone who had an impairment or disability than someone who has a history of mental ill health. Only 11% of employers had hired someone with a history of mental ill health who was long term unemployed or claiming Incapacity Benefits. However, 28% of employers had recruited people with mental health problems who were already in employment and this suggests that those who have been out of work for a long time and have a mental health problem are especially disadvantaged.

Despite the negative perceptions of some employers the survey also suggests that if someone with a mental health problem can overcome the initial barrier and gain employment, employers' perceptions might change. The survey asked those employers who had employed someone with a mental health problem about their experience and 61% reported that it was very or fairly positive. Only 15% said the experience was fairly or very negative, with the remainder either saying they didn't know or not answering the question.

Engaging with people who have been out of work is therefore important for employers as it may change their attitudes towards employing these people but it is also important for the workless person as it provides a better opportunity for them to gain sustainable employment. The JRF report says that:

“The evidence consistently suggests that interventions with employer-placements and work-based training are more successful in leading to employment. These interventions put participants in contact with employers and help develop more general employability skills, as well as enabling the individuals concerned to demonstrate work experience to potential employers.” (p15)

So, although not all employers may be positive about engaging with people who have been out of work for long periods, working with employers is important for the successful outcome of programmes which aim to help these people back into work.

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<sup>8</sup> 'Labour market outlook: quarterly survey report (Autumn, 2007) CIPD  
<http://www.cipd.co.uk/NR/rdonlyres/DB5B426A-398C-4574-9326-C335A24D1E4A/0/lmo1107.pdf>

## 2 Case Studies

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The following case studies present a selection of programmes that involve employers engaging with long-term workless people. Most of these programmes are on-going. Although the focus of the review was regional, the majority of the regional examples are from Birmingham. This reflects the fact that most of the evidence for the case studies comes from large employers which are more likely to be found in Birmingham.

### 2.1 New Deal programmes

There are seven different New Deal programmes, each targeting a specific group of people, which have been set up by the Government over the last decade. Two of the New Deals, New Deal for Young People (NDYP) and New Deal 25+, are mandatory programmes aimed at those who have been unemployed for long periods. The New Deal programmes aim to have strong links with employers so that their recruitment needs are met alongside supporting workless people into employment.

In 2009, the Flexible New Deal will be introduced which will replace NDYP, ND25+ and the employment zones. It will deliver more flexible and personalised support and will focus on people gaining sustainable employment and therefore decreasing the level of cycling between employment and benefits. The Flexible New Deal will also aim to build strong links with employers.

The next section provides a summary of the NDYP.

The NDYP was introduced in 1998 and is a mandatory programme for those aged 18-24 who have been claiming Jobseekers Allowance for six months or more. There were three stages in the original design of the programme:

#### New Deal for Young People

**Target Group** - 18-24 year olds claiming JSA for 6 months+

**Location** -nationwide

**Description** - 3 stage mandatory programme providing young people with option of voluntary or paid employment or training.

**For more information** -

[http://www.jobcentreplus.gov.uk/JCP/Customers/outofworkhelplookingforwork/Getting\\_job\\_ready/Programmes\\_to\\_get\\_you\\_ready/New\\_Deal/New\\_Deal\\_for\\_Young\\_People/index.html](http://www.jobcentreplus.gov.uk/JCP/Customers/outofworkhelplookingforwork/Getting_job_ready/Programmes_to_get_you_ready/New_Deal/New_Deal_for_Young_People/index.html)

1<sup>st</sup> stage - this is called the 'gateway' stage and lasts for up to four months. During this time the young person gets a personal advisor and careers advice to help them overcome any barriers they may face.

2<sup>nd</sup> stage - 'options' stage which lasts for 13 weeks. The participant selects from four options (the first three of which include at least one day per week working towards a qualification):

- Job with an employer - employers get paid a subsidy and money towards training
- Work within a voluntary sector organisation
- Work within an environment taskforce
- Full time training/education

3<sup>rd</sup> stage - The final stage called 'follow-through' which lasts for up to 26 weeks and is for those young people who are still on the programme after the second stage. They are provided with extra help and support to look for work during this stage.

Shortly after the programme was launched, a survey of employers' views about the NDYP was carried out.<sup>9</sup> The advantages that employers identified were that they gained access to a wide pool of job applicants and received wage and training subsidies. The employers that had also had experience of other programmes aimed at young unemployed people, thought that NDYP offered young people more choices and provides good employment and training opportunities. They also thought that the subsidies offered to employers were reasonable. The disadvantages reported were mainly around the extra time and costs of employing and setting up training for someone who may not be work ready.

A more recent analysis of the NDYP<sup>10</sup> found that this programme does have a positive impact on young people and this effect lasts for several years. Participants in the programme were followed up for four years and were found to spend less time on active labour market benefits during this period than a comparison group of slightly older people for whom NDYP was not mandatory. The research also found that participants taking the employment option had the best outcomes, followed by those who had gone into full time education or training.

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<sup>9</sup> 'New Deal for Young Unemployed People: A good deal for employers?' (1998) Social and Community Planning Research

[http://www.dwp.gov.uk/asd/asd5/working\\_age/wa1998/esr06rep.pdf](http://www.dwp.gov.uk/asd/asd5/working_age/wa1998/esr06rep.pdf)

<sup>10</sup> 'The longer-term impact of the New Deal for Young People' (2008) DWP working paper no. 23 <http://www.dwp.gov.uk/asd/asd5/WP23.pdf>

## 2.2 Employment Zones

Employment Zones (EZs) were introduced in 2000 in areas with high levels of unemployment. There are currently 13 EZs across the country, one of which is in the West Midlands in Birmingham. People are referred to EZs, which are private sector providers, from Jobcentre Plus (JCP). Referrals are mandatory for the following people:

- Aged 25+ and receiving Jobseekers Allowance (JSA) for 18 of the last 21 months
- Aged 18-24 and claiming JSA for over 6 months and have already been on the New Deal for Young People
- Those who have taken part in an EZ in the last 12 months but did not complete the programme.

EZs are also open to lone parents who can volunteer to take part in the programme.

Like NDYP, EZs are also a three stage programme:

Stage 1: Mandatory stage that lasts for up to 28 days during which time an advisor helps the jobseeker to draw up an action plan which sets out the type of work which they are looking for and any barriers they are facing. They continue to receive JSA during this time.

Stage 2: Also mandatory and lasts for up to 26 weeks. During this stage the jobseeker carries out the activities in the action plan with help from their advisor. They receive a small amount of JSA from JCP and the remainder is paid by the EZ as subsistence.

Stage 3: This is a voluntary stage for those who have not found a job in stage 2 and provides an option to stay on the EZ for a further 22 weeks.

It is hoped that during or after stage 2, the jobseeker will move into paid employment. They are monitored for 13 weeks and provided with in-work support by the EZ and then once they reach 13 weeks in employment they will leave the EZ.

### Employment Zones

**Target Group** - Long-term unemployed

**Location** - 13 areas nationwide

**Description** - 30 week mandatory programme for long term claimants of JSA. Personal advisor provides support with job search and in-work support.

**For more information** -

<http://www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep449.pdf>

The latest data from EZs show that by October 2008 nearly 105,000 people had gained a job through an EZ out of the 214,000 people who entered the programme.<sup>11</sup> This means that just under half of EZ entrants gained a job.

Qualitative research<sup>12</sup>, commissioned by DWP, was carried out with 300 people including some employers who had been involved in the EZs. Generally, employers were positive about EZs. The benefits described by employers included cost-free recruitment, lots of applicants at short notice, interviews arranged by EZ, EZs giving support to employers to know what to expect from new employees who may have been out of work for some time, and advisors available to support employees pre and post employment. Employers who worked closely with the EZ to develop recruitment processes tended to view the programme most positively.

Some employers were negative about the participants of EZ and thought that there were difficulties around employing participants of EZs, especially the long-term unemployed. The researchers also say that some employers needed more support in understanding the needs of people who were entering employment after a long period out of work.

However, they conclude by saying "Employers, overall, were positive about EZ, which, in many cases, was seen as supporting their recruitment processes, including coaching potential employees and in-work support. There was also considerable evidence of increased benefits over time, due to closer liaison between EZ and employer." (p91)

## 2.3 Business Action on Homelessness

Business Action on Homelessness (BAOH) is a business led campaign that aims to help unemployed homeless people into sustainable employment. It was launched by Business in the Community and is led by a national steering group of senior executives from several large companies including Bain & Company, Barclays, Carillion, Freshfields Bruckhaus Deringer, KPMG, Marks & Spencer, Royal Mail and Taylor Wimpey. The campaign is funded by businesses and the Department for Communities and Local Government.

### BAOH

**Target Group** - Homeless people

**Location** - Nationwide

**Description** - Trains current employees to act as buddies to homeless people on two week work placements.

**For more information** - <http://www.bitc.org.uk/community/employability/homelessness/index.html>

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<sup>11</sup>'DWP Quarterly Statistical Summary' (Feb 2009)

[http://www.dwp.gov.uk/asd/asd1/stats\\_summary/Stats\\_Summary\\_Feb2009.pdf?x=1](http://www.dwp.gov.uk/asd/asd1/stats_summary/Stats_Summary_Feb2009.pdf?x=1)

<sup>12</sup>'Phase 2 evaluation of Multiple Provider Employment Zones: Qualitative study' (2006) DWP research report no. 399 <http://www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep399.pdf>

Companies that are involved in the campaign work with homelessness organisations and provide work placements for homeless people. They allocate a current employee to act as a 'buddy' to the homeless person who provides support during the placement and possibly afterwards by, for example, providing a reference or help writing their CV. During the placement the company provides lunch and travel expenses and a uniform where necessary.

BAOH allocates a homeless person who is ready to work to a company and also provides training to the buddy. They also act as a source of support to the company during the placement and monitor the candidates during the placement.

The business case for companies to take part in a BAOH programme is:

- Provides a valuable experience for company staff and management
- Increases staff loyalty
- New recruitment pool of potential employees with excellent loyalty and retention
- Improves reputation with clients and customers
- Internal and external public relations opportunities

### 2.3.1 Cadburys

The Birmingham BAOH steering group is chaired by the Head of Manufacturing at Cadburys. Cadburys have been working with BAOH since 2002 and since then have offered 62 work placements to unemployed homeless people. 85% of these people have found employment, 38 of whom have been recruited by Cadburys.

Cadburys provide two week work placements to homeless people and current employees volunteer to act as 'job coaches' and support the candidate throughout the placement. They also help the candidate with their job search after the placement.

Cadburys have found the following business benefits of participating in the BAOH programme:

- Volunteer Cadbury employees have increased their skills and motivation by supporting unemployed people who are homeless
- Increased staff retention and development
- Increased diversity of their workforce
- Helped to fill vacancies through a new recruitment pool

- Enhanced team working and morale boost to staff

## 2.4 Marks and Start

'Marks and Start' is a programme run by Marks and Spencer and was launched in 2004 to help disadvantaged groups gain work experience in their stores. Prior to 2004, the company ran a programme aimed at homeless people with Business Action on Homelessness called 'Ready for Work'. This programme formed the basis of the Marks and Start scheme but was extended to help several other groups as well as homeless people.

### Marks and Start

**Target Groups** - young unemployed, disabled people, parents returning to work, students whose parents did not go to university and school students aged 14-16.

**Location** - in over 300 M&S stores

**Description** - Work experience programme combined with pre and post placement support which aims to help people into sustainable employment

**For more information** -

[http://corporate.marksandspencer.com/howwedobusiness/our\\_policies/funding/marks\\_start](http://corporate.marksandspencer.com/howwedobusiness/our_policies/funding/marks_start)

The groups that Marks and Start aims to help are the young unemployed, disabled people, parents returning to work, students who are the first in their family to go to university, and school students (14-16 years old). Each participant is given a two to four week placement with Marks and Spencer and travel expenses, lunch and a uniform are provided. During the placement participants are allocated a buddy (a current employee at M&S) to support them and a reference and certificate of attendance on leaving. The Marks and Start programme is one of the largest employer-based programmes in the UK.

Referrals to the Marks and Start scheme come from partner organisations who work with each of the target groups, for example the Prince's Trust refers young unemployed people to the scheme. There are three stages to the work experience. The first stage is pre-employment training during which Marks and Spencer supports the charities who work with each of the groups to improve the participants' skills in completing job application forms and attending interviews. The placement is the second stage of the programme and participants will be supported by their buddy and encouraged to apply for any job vacancies that exist within the company during this time. Once the placement comes to an end the participant receives post placement support according to their needs. This support is provided by the charities but is funded by Marks and Spencer and continues up to 12 months after the placement.

There are several objectives of Marks and Start for Marks and Spencer. These are:

- "To raise the aspirations and employment prospects of participants, enabling them to move towards sustained employment;

- Develop employee skills (through buddying) and improve employee commitment, loyalty and pride in the company;
- Integrate community activity throughout the company;
- To provide a strong focus for external communications and to increase customer awareness of the Marks & Spencer Corporate Social Responsibility (CSR) programme;
- Provide sources of recruitment.”<sup>13</sup>

The programme focuses equally on the benefits to the business and the benefits to society and the individuals involved.

The benefits to Marks and Spencer as a business are that they have diversified their workforce, seen an improvement in staff morale which in turn has led to increased loyalty and retention, and also built up the company's reputation with their customers. There are also benefits to the buddies who take part in the programme: they value the opportunity and 99% say they feel motivated by their involvement.

The scheme has also presented several challenges. One challenge has been to overcome the negative perceptions of some staff towards some of the disadvantaged groups, particularly homeless people. Marks and Spencer has introduced store visits by their community programme team and in house communications which tackle some of the stigma. Another challenge for the company has been in building up a relationship with their charity partners. The structure of the benefits system has also presented problems and actually means that the placement has to be limited to two weeks for some groups as any longer than this would have an adverse affect on their benefit claim.

Despite these challenges the scheme continues to grow. The results for 2007/08, which were the fourth year of its operation, were:

- 650 disadvantaged people were given a work placement during the year, as well as over 2,000 school children.
- 40% of the adult participants went on to find employment.

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<sup>13</sup> 'Marks and Start: Opening the door to employment?' (2004) The Work Foundation  
[http://www.theworkfoundation.com/assets/docs/publications/170\\_marks%20and%20start.pdf](http://www.theworkfoundation.com/assets/docs/publications/170_marks%20and%20start.pdf)

## 2.5 Local Employment Partnerships

Local Employment Partnerships (LEPs) are a partnership between the Government, through Jobcentre Plus, and business to tackle recruitment and skills challenges. They were launched in 2007 and aim to help long-term unemployed people back into work. Businesses signing up to the deal offer interviews, mentoring, training and work trials to people who have been unemployed and claiming benefits. Jobcentre Plus work with each business to understand their needs and then provide job ready candidates and skills training.

For businesses it provides an opportunity to recruit people who are job ready at minimum cost and little hassle. They can also demonstrate a commitment to their local community by providing employment opportunities to local people.

In February 2009, the Government announced that LEPs had so far helped 100,000 people back to work<sup>14</sup>. They have also announced that LEPs will be extended to help short-term unemployed people as well.

In the West Midlands, Jobcentre Plus and the Learning and Skills Council have formed a partnership to produce the 'Employer Offer'. This offers employers a range of services to help their recruitment and training needs and supports the LEPs.

The Tesco Regeneration Partnership and HSBC Processing Centre in Coventry are a couple of regional examples of LEPs.

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<sup>14</sup> See <http://www.dwp.gov.uk/mediacentre/pressreleases/2009/feb/emp081-170209.asp>

## 2.5.1 Tesco Regeneration Partnerships - Aston, Birmingham

The new Tesco store in Aston was the 21<sup>st</sup> regeneration partnership that Tesco had participated in. The partnership was between Tesco, Birmingham City Council, Jobcentre Plus, the Learning and Skills Council, Aston Pride and other community groups who formed 'Aston together'. The aim of the partnership was to help local people who had been unemployed for six months or more back into employment in the new Tesco store. For Tesco the scheme aims to deliver business benefits as well as increasing the economic prosperity of the area.

The partnership held open days for local people which were advertised at different locations across the city to try to reach as many groups as possible and were attended by 2,100 people. 144 people who attended the open days were subsequently offered pre-employment on a six week training programme and completion of the programme was linked to a job guarantee. A further 99 people were given unconditional job offers.

Outcomes from the programme included:

- 85 of the 99 people given unconditional job offers took up the employment
- 126 of the 144 people on the job guarantee scheme graduated into work
- Together these 211 local, formally unemployed, staff accounted for 64% of the store's employees

Of the 211 people helped into work, 40 had a disability/health problem and 60% were from client groups with the most barriers e.g. lone parents, those claiming Incapacity Benefits, long term Jobseekers Allowance claimants and clients from the New Deal and Employment Zones.

This was the most successful of the Tesco's regeneration partnerships to date and won an award at the LEP awards 2008 for 'best practice in recruitment'.

The partnership between the different agencies was an important part of the success of the project and building trust between the partners was vital. Birmingham City Council says that:

### Tesco, Aston

**Target Group** - long-term unemployed

**Location** - Aston, Birmingham

**Description** - Partnership between Tesco and public sector. Six week training programme linked to job guarantee to find local staff for new store.

**For more information** -

<http://www.idea.gov.uk/idk/core/page.do?pageId=9381766&aspect=full>

<http://www.lmu.ac.uk/lbs/pri/research/projects/Reports/01136.pdf>

“A major lesson learned was that an initiative to find employment for large numbers of long-term unemployed people generates a large concentrated workload. The entire process was demanding in terms of staffing requirements, so commitment from all partners was crucial.”<sup>15</sup>

Since the ‘Aston Together’ partnership, Birmingham City Council has gone on to develop this model of tackling long term unemployment as part of the Birmingham worklessness protocol.

## 2.5.2 HSBC Processing Centre, Coventry

In partnership with Jobcentre Plus and Henley College, HSBC developed a new two day Pre-employment Training programme (PET). HSBC staff were present at some of the modules to provide first hand advice and guidance and this also enabled them to meet the potential applicants and understand how committed the participants were. Eight separate PET courses have been run so far with 85 participants who were recruited through the LEP and were therefore, long-term unemployed. From the 85 participants, 29 people were recruited to work at HSBC. Only one person has since left HSBC but of the remainder many have been there for nearly a year.

### HSBC Processing Centre, Coventry

**Target Group** - long-term unemployed

**Location** - Coventry

**Description** - Partnership between HSBC, JCP and Henley College to develop pre-employment training programme

**For more information** -

[http://www.jobcentreplus.gov.uk/JCP/Employers/lep/LEPs\\_in\\_Action/Dev\\_015563.xml.html](http://www.jobcentreplus.gov.uk/JCP/Employers/lep/LEPs_in_Action/Dev_015563.xml.html)

For HSBC, this programme has allowed them to gain committed staff, many of whom would normally have been overlooked in their recruitment practices due to a lack of formal qualifications. At their end of year appraisals all of the recruits met or exceeded the standards expected of them. It has also saved HSBC an estimated £43,500 in recruitment costs and meant they have strengthened their workforce by recruiting from the local community. HSBC say “Our employees appreciate that we are investing in them and as a result we have motivated and committed staff.”

This LEP won an award for ‘Unlocking Talent’ at the West Midlands LEP Awards 2009.

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<sup>15</sup> See <http://www.idea.gov.uk/idk/core/page.do?pagelId=9381766&aspect=full>

## 2.6 University Hospitals Birmingham Learning Hub

The learning hub is based at University Hospitals Birmingham (UHB) and houses two projects that aim to help unemployed people back to work in the healthcare sector. UHB is one of Birmingham's largest employers and the development of the new hospital will create one of the largest medical complexes in Europe. Alongside the development of the new hospital, UHB aims to help reduce disadvantage across Birmingham and the learning hub is part of this aim. UHB was one of the first NHS trusts in Birmingham to sign a Local Employment Partnership with Jobcentre plus in February 2008. The learning hub has received funding from the European Regional Development Fund and Advantage West Midlands as well as UHB.

The two projects which are based in the learning hub are:

**ACTIVATE** - this project aims to get local unemployed people into jobs in the healthcare sector through a seven week training programme. The programme consists of a four week induction programme followed by a three week placement in a ward, technical or admin area. It has been running since 2002 and has so far trained over 600 people, over 300 of who have subsequently moved into employment. 40% of beneficiaries of the programme are from Black and Minority Ethnic communities.

### UHB Learning Hub

**Target Group** - local unemployed and disadvantaged groups

**Location** - Birmingham

**Description** - Training programme and job brokering service to help people into jobs in healthcare and construction

**For more information** -

<http://www.uhb.nhs.uk/Jobs/Activate/Home.aspx>

<http://www.bhhub.co.uk/about/default.aspx>

**Building Health** - this project also targets unemployed and disadvantaged people and works alongside the ACTIVATE project by offering a job brokering service. It aims to help people into healthcare and construction jobs - many of which have been created by the new hospital building project. This programme has helped 350 people into jobs, 70% of whom are from BME groups.

Building Health is a partnership comprising University Hospital Birmingham, Consort Healthcare, Connexions, Jobcentre Plus, Birmingham and Solihull Learning and Skills Council, Fair Cities, Birmingham City Council and the West Midlands Strategic Health Authority.

Building Health also offers training opportunities to those that are unemployed to increase their skills in applying for jobs and attending interviews. They work with employers to design pre-employment training that will meet the needs of the employer.

## 2.7 Bullring recruitment project

The development of the Bullring shopping centre in Birmingham provided many new job opportunities in the retail sector. An initiative to help local unemployed, disadvantaged and ethnic minority groups gain access to these jobs was developed. It was a partnership between Jobcentre Plus, Birmingham and Solihull Learning and Skills Council, Birmingham City Council, Pertemps People Development Group and the developer.

### Bullring recruitment project

**Target Group** - local unemployed and disadvantaged groups

**Location** - Birmingham

**Description** - Hub established to connect employers and jobseekers and outreach bus used to access people in disadvantaged areas. Training also provided to jobseekers.

**For more information** -

[http://www.regenwm.org/casestudies/casestudies\\_details.asp?cat=Education%2C%5Femployment%5F%26%5Ftraining&cid=42](http://www.regenwm.org/casestudies/casestudies_details.asp?cat=Education%2C%5Femployment%5F%26%5Ftraining&cid=42)

The aim of the partnership was to help local people access the new jobs and was particularly targeted at areas of high unemployment. It also aimed to meet the employment needs of the employers who were moving into the Bullring development.

The project used a 'hub' model which provided an interface between the developer, employers and jobseekers. The team ran an outreach bus, the 'Bullring recruitment bus', which travelled around the city to over 100 locations, including some of the most disadvantaged wards, in a targeted marketing campaign. The bus was used to advertise job vacancies and also to sign up interested people. Employers were also available on the bus to provide more information and marketing.

Pre and post-employment training was available through a number of training providers. The nature of the training was discussed with the employers so that it met their needs and the training needs of individuals were assessed.

A report for the National Employment Panel<sup>16</sup> on employer led efforts to increase the employment of ethnic minority groups uses the Bullring recruitment project as a case study. The report says that this programme illustrates the value of:

- Local infrastructure and capacity: Dedicated resources were put in place to deliver training and to engage employers
- Customised Services: targeted resources were established to reach clients

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<sup>16</sup> 'Fair Cities: employer-led efforts that produce results for ethnic minorities' (2004) by Jobs for the Future <http://www.dwp.gov.uk/ndpb/nep-pdfs/faircities.pdf>

This report says that the co-location of staff from each of the partner organisations through the hub was a key to the project's success. The strong partnership meant that any problems that arose could be resolved quickly and decisions were also made effectively.

The programme managed to engage with over 140 employers. Strategies which helped with this engagement included introductions being made by the developer, the publication of a welcome pack for employers, the establishment of bases where employers could carry out interviews before their premises were ready and a recruitment fair which attracted 10,000 visitors.

The outcomes of the project are:

- 2,604 people into work
- 89% of jobs going to target area residents
- 80% of jobs going to people who were previously unemployed
- 48% of jobs going to BME groups

The hub model used in the Bullring project has since been applied to the Eastside City jobs project.

## 2.8 National Health Service

As the largest public sector employer in the UK, the NHS is in a strong position to help tackle discrimination against people with mental health problems. Part of one of the Public Sector Agreements (PSA 16) is about increasing the number of people with mental health problems in employment, education or training and the NHS can lead in the employment of people with mental health problems.

A recent publication by the DoH<sup>17</sup> provides guidance to the NHS on how this can be achieved and how NHS employers can combat discrimination and stigma against people with mental health problems. It looks at the research evidence on what works in increasing employment rates of people with mental health problems. The report finds that supported employment programmes are more effective than work in a sheltered environment which may actually reaffirm a person's belief that they could not sustain open employment. The report lists several features of programmes that are most effective in helping people with mental health problems gain and retain employment. These are principles of an approach called the 'Individual Placement and Support' approach and include:

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<sup>17</sup> 'Mental health and employment in the NHS' (2008) NHS Employers  
<http://www.nhsemployers.org/Aboutus/Publications/Documents/Mental%20health%20and%20employment%20in%20the%20NHS.pdf>

- “Vocational rehabilitation is a central and integral component of the work of mental health teams rather than a separate service
- A primary goal of open employment in integrated settings - ‘real work’ rather than pre-vocational or sheltered work experiences
- Supporting people to develop work skills on the job is more effective than preparation in a sheltered environment
- Initial and continuing assessment and adjustment
- Time-unlimited support and workplace interventions, including reasonable adjustments under the DDA, to enable people to retain employment
- Attention to user preferences and choices rather than providers’ judgments about the sort of job that is appropriate.” (p10)

For the NHS there are many reasons why employing people who have had or have mental health problems are important. Mental health services offered by the NHS can be improved if they employ people who have experienced mental health problems themselves and can provide colleagues with personal knowledge about living and coping with mental health problems. They can also better understand the needs of the service users.

The following case study provides an example of a programme working in an NHS trust to increase the employment of people with mental health problems.

### 2.8.1 South West London and St Georges Mental Health NHS Trust

The User Employment Programme was established at this trust in 1995 and has been evaluated annually. It has been very successful in supporting current staff with mental health problems and encouraging people with mental health problems to apply for vacancies within the trust and has been cited as a model of good practice.

**South West London & St Georges Mental Health NHS Trust**

**Target Group** - People with mental health problems

**Location** - London

**Description** - Uses the Individual Placement and Support approach which focuses on ‘real work’ with support from clinical and vocational services.

**For more information** - [http://www.swlstg-tr.nhs.uk/work/user\\_employment\\_programme.asp#govpub](http://www.swlstg-tr.nhs.uk/work/user_employment_programme.asp#govpub)

There are two key objectives of this programme:

- to provide support for people who have experienced mental health problems into existing posts in the Trust on the same terms and conditions as others

- to pioneer efforts to decrease employment discrimination against people who have experienced mental health difficulties throughout the Trust

The programme is based on the Individual Placement and Support approach, the key features of which are described in section 2.8. Help is provided by clinicians to enable people with mental health problems to access open employment and on-going support is also provided through the Vocational Services Strategy.

A key outcome from the programme is that since 1999, it has ensured that at least 15% of employees recruited at the trust have personal experience of mental health problems. In 2004/05, 479 people with mental health problems were helped to gain employment both within the trust and elsewhere.

For the trust, the mental health service that they provide is improved by employing people that have a greater understanding of the challenges that people with mental health problems face. It also provides hope to the service users that the barriers that they are facing can be overcome.<sup>18</sup>

## 2.9 Remploy

Remploy aims to help disabled people and people who have complex barriers to work. It offers employment services through branches across the UK and also operates several businesses which employ disabled people. Remploy is funded by the Department for Work and Pensions.

**Remploy**

**Target Group** - Disabled people

**Location** - Nationwide

**Description** - Provides employment services to disabled people and also runs several businesses which employ disabled people

**For more information** - <http://www.remploy.co.uk/>

The services offered include development, training, learning and rehabilitation to help people into sustainable employment. Services are offered to those claiming Incapacity Benefits or who are disabled under the Disability Discrimination Act (DDA).

In 2007/08 Remploy found 6,500 jobs for disabled people.

Remploy works with a number of large employers including BT, RBS, Royal Mail, the National Health Service, Marks & Spencer and ASDA. Remploy itself is also an employer of disabled people through its several businesses and in fact is the largest employer of disabled people in the UK.

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<sup>18</sup>[http://www.hsj.co.uk/mentalhealth/workinglives/2008/09/employing\\_people\\_with\\_mental\\_health\\_problems\\_in\\_the\\_nhs.html](http://www.hsj.co.uk/mentalhealth/workinglives/2008/09/employing_people_with_mental_health_problems_in_the_nhs.html)

The benefits to employers include gaining skilled and suitable candidates. Remploy also offer post employment support to both the employer and the employee to make sure that the employment is sustained.

The following examples provide two regional cases studies of employers who have worked with Remploy.

**Morrisons, Coventry** - Remploy selected suitable candidates and provided candidates with transport for interviews where necessary. Morrisons hired three people from the recruitment day. The post employment support is important for the employer as Remploy are available to help with any issues that the employee may have when they start work.

**National Grid, Erdington** - When National Grid relocated their meter assessment centre to Birmingham they used Remploy to help them recruit new staff. They hosted site visits for candidates so that they could experience the work environment and talk to other employees.

## 2.10 Blue Sky Development and Regeneration

This programme was established by Groundwork and provides temporary paid work to people coming out of prison to help them move into sustainable employment. Blue Sky only employs ex-offenders and is a not for profit company.

### Blue Sky

**Target Group** - Ex-offenders

**Location** - Mainly London

**Description** - Provides 6 months paid work to ex-offenders as a stepping stone towards longer-term employment.

**For more information** - <http://www.blueskydevelopment.co.uk/>

Blue Sky provide ex-offenders with six months paid work in grounds maintenance during which time they are also given support and advice on a variety of issues, including accessing training opportunities. The programme aims to help participants into further employment once they have completed their six month period with Blue Sky.

Employers can often be wary of taking on candidates who have a criminal record but this programme gives employers more confidence as Blue Sky participants will have a six month track record of employment. During the six month period participants also learn about employability so that employers taking on Blue Sky graduates get an employee who is punctual and values the quality of their work.

Other benefits to employers who employ Blue Sky participants are that they gain motivated employees who are often very loyal in return for being given a second chance. Blue Sky's annual reports say that employers "speak of the value of taking on someone who has been trained and is keen to work."<sup>19</sup> It also provides an opportunity for employers to demonstrate their commitment to corporate social responsibility.

A recent evaluation of the programme<sup>20</sup> found that 48% of past participants were in full time employment three months after leaving the programme. However, 48% of participants were also dismissed during their work with Blue Sky, mainly due to non-attendance and misconduct.

## 2.11 Fair Cities

Fair Cities was a three year programme, led by employers, whose objective was to help disadvantaged ethnic minority residents into sustainable employment. It was initiated by the National Employment Panel and ran between 2005 and 2008 in three pilot areas, one of which was Birmingham. There were three target areas in Birmingham - Aston, Lozells and East Handsworth, and Sparkbrook - and the target was to get 65% of participants from these wards.

The Fair Cities pilots had three objectives<sup>21</sup>:

1. increase the number of disadvantaged ethnic minority residents who gain steady work and new careers. The strategies put in place to achieve this were by meeting employer demand for job-ready candidates, encouraging fair and effective recruitment and promotion and increasing the responsiveness of the local employment and skills to business and ethnic minority groups.
2. test the effectiveness and value-for-money of the demand-led approach in tackling disadvantage in the labour market

### Fair Cities

**Target Group** - Disadvantaged ethnic minority residents

**Location** - Birmingham, Brent and Bradford

**Description** - Employer-led project which set up custom built 'pipelines' between jobseekers, training providers and employers.

**For more information** -

<http://www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep495.pdf>

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<sup>19</sup> Blue Sky Annual Review (2008)

<http://www.blueskydevelopment.co.uk/pdf/annualreport2008.pdf>

<sup>20</sup> 'Evaluation of Blue Sky Development and Regeneration' (2007) ARC(UK) Ltd

<http://www.blueskydevelopment.co.uk/pdf/evaluationreportssummary07.pdf>

<sup>21</sup> 'Evaluation of the Fair Cities Pilots 2007' (2007) Department for Work and Pensions research report no. 495 <http://www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep495.pdf>

3. apply practical lessons from the development and implementation of Fair Cities throughout the welfare-to-work system

In Birmingham, board members were drawn from the following companies and organisations: PricewaterhouseCoopers, Radio XL, CBI, Serco Group, University Hospital Birmingham, Mitchells and Butler plc, Birmingham and Solihull Learning and Skills Council, Advantage West Midlands, Andersons KBS, Jaguar/Land Rover, Royal Bank of Scotland, Birmingham City Council, Lasan Restaurant, IDN plc, ITV Central, and Jobcentre Plus.

The project established 'pipelines' between specific employers and training providers and also worked with established 'hubs' in Birmingham e.g. the Bullring jobs team (see section 2.7) and the Building Health hub (see section 2.6). Each of the pipelines was custom built to meet the needs of the employer but most contained the following elements: entry/selection module, support for personal attributes, presentational skills, preparation for, and preview of, selection procedures, realistic job previews, vocational skill training and pipeline exit/job entry module.

The pilot was fairly successful in engaging with employers, however those signed up to pipelines were mainly those represented on the board and tended to be large employers. Engagement with SME companies was less successful. Interviews with the employers who were involved in pipelines indicated that they were generally satisfied with the pilot. This was also evidenced by several employers signing up to more than one pipeline. Employers who engaged with the Fair Cities pilot cited several reasons for doing so. These included:

- a business need - responding to recruitment difficulties or high staff turnover
- accessing communities who may not normally apply for their vacancies
- improve reputation, demonstrate social responsibility
- make workforce more representative of local population/customer base

The outcomes from the Fair Cities pilot in Birmingham (and the other pilots) were not as successful as initially hoped. By September 2007, 30 months into the project, the Birmingham pilot had secured 300 job starts from a total of 1,827 people who were referred to, and officially entered, the pilot. The target number of job starts across all three pilot areas was 4,424, and by September 2007, six months before the end of the pilot, only 802 job starts had been achieved. This was predicted to rise to about 1,000 by the end of the project, but this would still be well below the target. Sustainability was also lower than hoped with only 49% of those securing a job still there 13 weeks later.

Where the pilot was more successful was in targeting ethnic minority groups. Although entry to the pilot was not restricted to people from minority ethnic groups the target wards were those that had large populations from these groups. Across all pilot areas, 75% of job entrants were from a non-white ethnic group. However, in Birmingham the targeting was less successful with only 57% of people gaining a job being from a minority ethnic group. The project did manage to engage some residents who were fairly distant from the labour market: Across all three of the pilot areas, 44% of people gaining job starts had not worked in the last six months and 25% had been out of work for over one year.

An evaluation of the Fair Cities pilots<sup>22</sup> summarised the lessons that could be learnt from this pilot for future demand led programmes:

- “the absolute necessity of cultivating robust links with employers;
- the deployment of skilled and employer-credible staff, operating in an account management role and so knitting together the three strands involved in pipeline building (employer, provider and beneficiaries);
- the need to integrate pipelines with provision for deeper rooted constraints on employability;
- demand-led pipeline content is likely to be much more diverse than previous generations of active labour market programmes and this requires much more flexible arrangements for procurement and contracting to build customised provision delivery of service;
- achieving greater sustainability in employment requires more active management and deliberate intervention than relying on the pull-factor of a ‘good’ job or retention-related contracts with training providers;
- there seems to be no necessity or advantage in restricting a demand-led approach, either to certain wards or to priority beneficiary groups. There seems a strong case for interventions of this kind to be city-based. In this sense, the Pilots’ experience is very relevant to the emerging Cities Strategy.”

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<sup>22</sup> ‘Evaluation of the Fair Cities Pilots 2007’ (2007) Department for Work and Pensions research report no. 495, p2 <http://www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep495.pdf>

## 2.12 Job Junction at Birmingham Airport

Job Junction opened in 2005 at Birmingham Airport and aims to help people who have been unemployed for six months or more back to work at Birmingham International Airport, the NEC or Touchwood. It supports people back into work through various initiatives such as training, work trials and guaranteed interviews. Clients that are referred to Job Junction must have been unemployed for six months or more and claiming Jobseekers Allowance, Incapacity benefits or Income Support.

### Job Junction

**Target Group** - long-term unemployed

**Location** - Birmingham International Airport

**Description** - Six week course providing jobseekers with skills needed to work at the airport and experience of working in the airport environment.

**For more information** -

[http://www.solihull.gov.uk/employmentsupport/default\\_9433.htm](http://www.solihull.gov.uk/employmentsupport/default_9433.htm)

The programme consists of a six week course which provides jobseekers with an insight into the airport environment, basic skills training, and help completing application forms and CV writing. Customer service skills make up a large part of the training programme as these are the main skills required by the employer. During the training period the staff at Job Junction will be obtaining references and carrying out Criminal Record Bureau checks and also providing advice on issues relating to the client's benefit claim.

Following completion of the programme trainees are guaranteed an interview and Job Junction staff organise work trials where possible.

In 2007/08, 40 clients with Solihull postcodes were engaged, and 13 were supported into employment.<sup>23</sup> Overall over 50% of participants in the programme have moved into full-time employment.<sup>24</sup>

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<sup>23</sup> Solihull Access to Employment Group Annual Report 2007/08  
[http://www.basaeg.org.uk/medialibrary/734\\_AEGANNUALREPORT07-08.pdf](http://www.basaeg.org.uk/medialibrary/734_AEGANNUALREPORT07-08.pdf)

<sup>24</sup> [http://www.jobcentreplus.gov.uk/jcp/Employers/Publications/engage/Dev\\_014302.xml.html](http://www.jobcentreplus.gov.uk/jcp/Employers/Publications/engage/Dev_014302.xml.html)

## 2.13 Small Woods Association

The Small Woods Association is a national charity which aims to encourage the care and enjoyment of small woodlands. The Small Woods Association runs the Green Wood Centre in Telford from where they run two social forestry programmes that aim to use woodland crafts and skills to reengage disaffected young people and adults with education and employment. The programmes use the woodland environment, woodland crafts and management activities and contact with sound role models - experienced woodland craftspeople - to help offenders and NEETs (young people not in education, employment or training) into employment and training.

The first programme, aimed at helping prolific offenders is run in partnership with West Mercia Probation.

The second programme works with NEETs and is funded by Telford and Wrekin Council and the European Social Fund. This is a 12 week programme of two days per week where participants have the opportunity to achieve a National Open College Network qualification.

### Small Woods Association

**Target Group** - ex-offenders and NEETs

**Location** - Telford

**Description** - social forestry programme to help offenders and NEETs back into education and employment through participation in woodland crafts and activities and the chance to gain a qualification.

**For more information** - <http://www.smallwoods.org.uk/>

### 3 Conclusion

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Previous research<sup>25</sup> has concluded that employment programmes which target workless people are more successful in delivering sustainable employment outcomes if they have good links with local employers and meet some of the needs of employers as well as those of the jobseekers. Programmes which involve employer-based work or training also tend to have better employment outcomes. An evaluation of the NDYP found that the young people taking the 'employment option' had the best outcomes. An evaluation of programmes which aimed to help people with mental health problems back into work also found that 'supported employment' programmes were the most effective.

What works well from the employers' perspective however is less clear. The case studies included here that are led by employers and aim to engage with workless people had some key features. Most of them include some kind of 'work trial' or placement, sometimes linked to a job guarantee on successful completion. These provide an opportunity for employers to assess whether a candidate is suitable, at lower risk to themselves. For most of the programmes, the trial takes place following a period of basic-skills training during which time the participant can improve their general employability skills and this then continues during the placement.

Other research has also found that work trials are preferred by employers. Research carried out on behalf of the Chartered Institute of Personnel and Development<sup>26</sup> found that, from a list of Government initiatives to help Incapacity benefit claimants back into work, the most popular with employers was voluntary work placements/trials followed by training grants to help assess skills needs. In another survey by the CIPD, training grants were also identified by employers as the initiative most likely to encourage them to recruit Incapacity benefit claimants.

In research carried out on behalf of DWP<sup>27</sup> with several national organisations that have expertise in this area, work trials were also highlighted as an effective way of getting employers to engage with long-term workless people. The research reported that:

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<sup>25</sup> 'Local initiatives to help workless people find and keep paid work' (2008) Joseph Rowntree Foundation <http://www.jrf.org.uk/sites/files/jrf/2246.pdf>

<sup>26</sup> 'Labour market outlook: quarterly survey report (Autumn 2007) CIPD <http://www.cipd.co.uk/NR/rdonlyres/DB5B426A-398C-4574-9326-C335A24D1E4A/0/lmo1107.pdf>

<sup>27</sup> 'What employers look for when recruiting the unemployed and inactive: skills, characteristics, and qualifications' (2005) DWP research report no. 295 [http://www.agepositive.gov.uk/publications/pdf/What\\_employers\\_are\\_looking\\_for.pdf](http://www.agepositive.gov.uk/publications/pdf/What_employers_are_looking_for.pdf)

“Work trials were emphasised as a way of developing work and employability skills in unemployed and inactive people, and offering employers an opportunity to test whether the person is appropriate for the job.” (p3)

The reasons why employers choose to engage with workless people are mainly around demonstrating their commitment to corporate social responsibility as well as meeting a recruitment need and increasing morale and skills amongst their current staff. Increasing the skills of current staff is particularly relevant for those schemes that involve the use of ‘buddies’ or mentors who are volunteers from the employer’s current workforce.

For the programmes that are not led by employers but involve a partnership approach, it is important to build up strong links with the employers. Many of the programmes have worked with employers to design pre-employment training courses that meet employers’ skill requirements. In Birmingham the ‘hub model’, first developed for the Bullring recruitment project, has been particularly successful and led to the development of other sector/site specific hubs. The hubs are a partnership between Jobcentre Plus, the Learning and Skills Council and Birmingham City Council and work with employers to provide local unemployed people with the relevant training/skills necessary to meet the employers’ needs.

It should be noted that most of these case studies are from large employers. This may be a reflection of the methods used to gain the information for these case studies, in that small and medium sized enterprises (SMEs) may be less likely to publicise the details of any employment programmes they run on the internet. Equally, it may indicate that SME employers are less likely to try to engage with long-term workless people. Certainly, evidence<sup>28</sup> from the Fair Cities pilot in Birmingham suggested that although the SME sector is significant in Birmingham the project found it difficult to engage with these employers. Indeed, none of the Fair Cities pilot areas had much success in engaging with SMEs.

Identifying common elements of the programmes reviewed allows us to get an idea about what works from the employers’ perspective. (See section 3.1 below) As nearly all of these programmes are currently in operation these are not likely to be initiatives that are unsuccessful. Employers are unlikely to continue running a programme that is not effective and, in addition, may not publicise the details of it. Therefore the programmes included provide some examples of good practice as they are the projects that employers have felt benefit their business sufficiently for them to continue to operate the programme.

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<sup>28</sup> ‘Evaluation of the Fair Cities Pilots 2007’ (2007) Department for Work and Pensions research report no. 495 <http://www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep495.pdf>

The current recession may affect the number and level of employment programmes run by employers that aim to engage the long-term workless. Employers are currently less likely to be recruiting and where they are, filling vacancies is unlikely to be a problem as there is a larger pool of short-term unemployed candidates. So there may be less of a requirement to run these programmes where they were meeting a recruitment gap. In addition to this employers may be facing other pressures at the moment that mean that Corporate Social Responsibility programmes become less of a priority. However, Business in the Community say that it is important to maintain a commitment to corporate social responsibility during the recession and that corporate responsibility actually improves financial performance.

### 3.1 Common features of programmes

Before looking at best practice identified through this review it is also worth noting the findings of some research commissioned by DWP that identified best practice in employer engagement. The research<sup>29</sup> looked at best practice identified through the Jobcentre Plus Ambition programme which was a demand led training programme that aimed to help disadvantaged jobseekers into employment. The programme sought to address identified skills shortages in specific occupations and locations. The research identified the following areas of best practice in employer engagement:

- “building effective working relationships with employers from the start of what is a continuous process;
- working within the interest and capacity of employers in providing an array of opportunities to be involved, at different levels of intensity, in the design, set-up and implementation of the programme;
- incorporating employer requirements in all stages of the programme, from selection of participants to training content;
- utilising existing relationships with the targeted sector, either through the chosen intermediary or through existing employer networks;
- focus on selected occupations and areas with skills shortages, as directly experienced by local employers;
- creating employer confidence and trust in the processes and outcomes;

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<sup>29</sup> ‘Ambition: identifying best practice for demand-led approaches’ (2005) Department for Work and Pensions Research Report No. 264 <http://www.dwp.gov.uk/asd/asd5/rports2005-2006/rrep264.pdf>

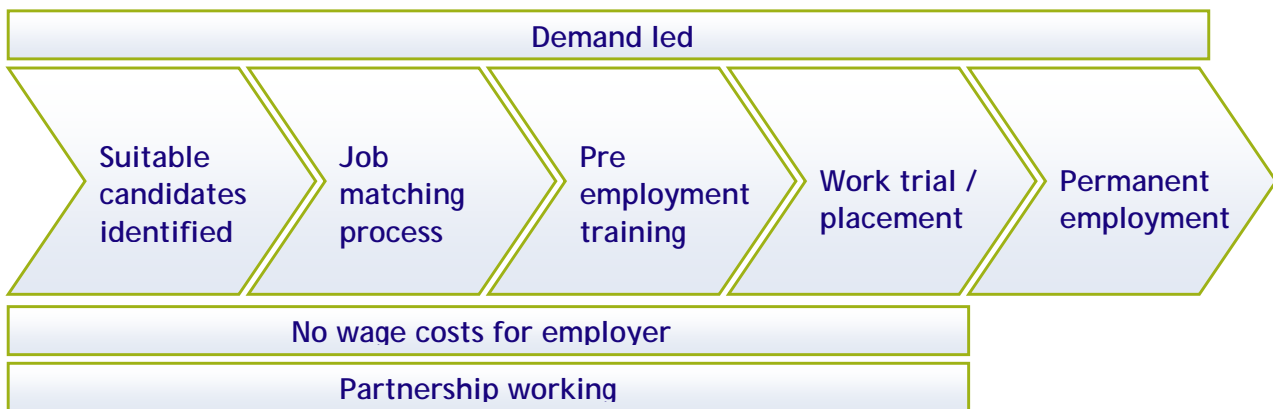
- ensuring effective communication between employers and other stakeholders;
- adaptability and flexibility by delivery organisations, including intermediaries and Jobcentre Plus, to changing requirements from employers over time." (p35)

Building on these areas of good practice and incorporating common features of the programmes included in this review, the following list provides the key components of a model that works for employers:

- **Demand-led** - programmes should aim to meet the needs of employers rather than working within the supply side of the labour market. This means that the employer needs to be involved at all stages of the programme.
- **Partnership working** - Building up strong links between all partners is crucial. Many of these programmes involve many organisations - employers, training providers, Jobcentre Plus, job brokers, charity organisations, local authorities, Learning and Skills Council - and a strong partnership is required so that a level of trust is established between all parties.
- **No wage costs** initially for the employer - this means the level of risk to the employer is minimised.
- **Work trial/placement/training** - during this period the employer can assess the suitability and employability of the candidate.
- **Job matching** process - prospective candidates are matched to the right jobs based on their skills, experience and interests so that employers are provided with suitable candidates
- **Pre-employment training** provided where necessary - a training programme can be developed with the employer so that it meets their skills needs. Basic skills and employability training may also be required.
- **Support** for employee and employer during placement - an employee who has been out of work for some time may require support to fit into a new workplace, some programmes provide this through the 'buddy' or mentor system and others provide support through an external agency. The employer may also require support to help them deal with any issues that may arise through the employment of someone who has been long-term workless. For employees who do not find permanent work during their work trial period, post placement support to help with their job search is also important.

These key features are summarised in the following flow chart.

Figure: Summary of employer programmes



### 3.2 Business case for employers

Business in the Community (BiTC) provide a list of benefits to the employer if they take part in their programme which aims to help homeless people back into work. The business case that BiTC provides<sup>30</sup> would also be relevant to other programmes which aim to support long-term workless people back into employment. The benefits to the employer are:

- Personal and professional development for your staff (this relates particularly to the programmes which train current employees to act as buddies)
- Improved staff loyalty
- Cost-effective recruitment for your vacancies
- Increased staff diversity
- Enhanced reputation
- Networking opportunities with like-minded businesses in your area

<sup>30</sup> [http://www.bitc.org.uk/community/employability/homelessness/baoh\\_business\\_case.html](http://www.bitc.org.uk/community/employability/homelessness/baoh_business_case.html)

In an evaluation of the Marks and Start programme<sup>31</sup> run by Marks and Spencer one of the recommendations made to employers highlights another benefit to employers. That by “engaging with broader, more diverse labour pools can help employers to prepare for the consequences of demographic change.” (p98)

A recent report by the All Party Urban Development Group<sup>32</sup> about how local communities can benefit from regeneration also points out that by employing local people businesses can ensure that there is money in the local economy to drive local consumer spending. For employers that are based in deprived areas or areas of regeneration this idea can also be highlighted as a benefit of employing local workless people.

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<sup>31</sup> ‘Marks and Start: Opening the door to employment?’ (2004) The Work Foundation  
[http://www.theworkfoundation.com/assets/docs/publications/170\\_marks%20and%20start.pdf](http://www.theworkfoundation.com/assets/docs/publications/170_marks%20and%20start.pdf)

<sup>32</sup> ‘Building Local Jobs’ (2008) All Party Urban Development Group  
[http://0301.netclime.net/1\\_5/1bb/3e5/3ba/APUDG-BuildingLocalJobs%20FINAL.pdf](http://0301.netclime.net/1_5/1bb/3e5/3ba/APUDG-BuildingLocalJobs%20FINAL.pdf)

## Full document information

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Title	Employers' experiences of employing those who have been workless: Literature review
Date created	05-06-09
Type	Report
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