



DWP Employer Engagement and Experience Survey 2013

A report carried out by IFF Research on behalf of the Department for Work and Pensions

The 2013 Employer Engagement and Experience Survey is a new survey that explores the ways in which employers engage with the Department for Work and Pensions (DWP) in their recruitment activity, in workforce development and communications, and in workforce financial planning and strategies. In so doing, the survey enhances understanding of how effective DWP's communication and business relationships are with employers.

The survey involved telephone interviews with a total of 2,800 UK employers. All employers were asked about a range of different types of engagement with DWP that related to recruitment or human resources (HR) issues. In addition, a subset of 1,075 employers was also asked about their experiences of engagement with DWP for payroll and pensions issues. Employers were categorised (based on survey responses) according to size profile, broad sector classification, detailed sector classification and Jobcentre Plus Regional Groups.

The nature of employment opportunities that employers offer

Half of all employers have attempted to recruit within the last 12 months. Part-time working is a central element in how employers meet their staffing needs: a majority of employers (59 per cent) offer longer-hours part-time contracts (i.e. contracts of 16-30 hours per week). While fewer offer shorter hours, they are not uncommon: contracts for fewer than 16 hours per week and zero-hours¹ part-time contracts are offered by 35 per cent and eight per cent of employers, respectively. One in five employers who currently employ people on zero-hours contracts (22 per cent) reported that the number of people on such contracts is increasing. Similarly, one in ten employers currently employing staff on part-time contracts of less than 16 hours had seen an increase in such contracts (11 per cent), as had one in eight employers offering 16 to 30 hour contracts (13 per cent).

In the main, employers who offer such contracts are not challenged in filling them – whether they do so through internal or external sources. However, some employers attempting to recruit for these positions are challenged, particularly when it comes to finding people prepared to take on zero-hours contracts (24 per cent having experienced difficulties), short-term/casual work (21 per cent having experienced difficulties) and/or posts for 'longer' part-time work (19 per cent

¹ A zero-hours contract is a contract of employment under which the employer does not guarantee work for the employee. Under this agreement, the employee is only paid for the work they carry out.

having experienced difficulties). The challenge of finding staff to fill zero-hours contracts is most keenly (and most disproportionately) felt by employers in the business and other services sector.

Employers are generally convinced of the business benefits of reflecting their customer/client base in their workforce. However, attitudes towards the practicalities of accommodating a diverse workforce are more mixed, and experience of recruiting/employing people from the hardest to reach labour market pools is limited: in the 12 months preceding the survey, the proportions of employers that recruited someone who they knew to be disabled or to have a long-term health condition, to have a criminal record, or to have a current/recent drug or alcohol addiction were eight per cent, seven per cent and one per cent, respectively.

Employer engagement with DWP for recruitment

One of the aims of the survey was to understand the extent of employer engagement with DWP. In this report, the term 'engagement' is used to describe all contact with employers, from placing vacancies through to provision of online information.

Jobcentre Plus is the flagship brand for DWP's engagement with employers, and has been identified by other surveys (e.g. the UK Commission for Employment and Skills' *Employer Perspectives Survey 2010* and *Employer Perspectives Survey 2012*) as the single most common recruitment channel that employers use.

Universal Jobmatch is a new service provided by Jobcentre Plus and had been in operation for around seven months at the time of the survey. It appears to have had a relatively positive introduction, with almost one in ten recruiting employers (nine per cent) having used it. Recruiting employers who have already used Universal Jobmatch are highly likely to use it in the future (87 per cent stated that they would be likely to use it again for future recruitment). The vast majority of recruiting employers who had used Universal Jobmatch had previously recruited

through Jobcentre Plus². The Universal Jobmatch service generated higher satisfaction ratings than other Jobcentre Plus services for recruitment. This is perhaps reflective of the fact that a smaller proportion of those using Universal Jobmatch were unsuccessful in filling vacancies than those using other Jobcentre Plus services for recruitment, and the fact that a larger proportion of vacancies were filled through Universal Jobmatch. However, there is scope for service improvement: some employers would be particularly enthused to see a more skilled pool of candidates with an improved attitude towards work; some also remain to be convinced that the matching process³ is working efficiently.

Other contact with DWP

DWP's touchpoints with employers extend beyond the placement of vacancies and the survey looked to establish engagement with a wide range of activities. Across all types of contact (including contact for placing vacancies through Universal Jobmatch or through local Jobcentre Plus offices), 43 per cent of the employer population had some engagement with DWP over the last 12 months.

Recruitment initiatives and services

One in ten employers (11 per cent) had engaged over the last 12 months with one of the recruitment initiatives that DWP offers (Youth Contract, Work Trials, Work Experience, pre-employment training, Work Choice). These initiatives require employers to have an active role in their delivery and seek to motivate engagement on the basis of assisting the wider economy. Engagement increased to 29 per cent of the very largest employers. Awareness of each individual initiative was relatively low at around a fifth of all employers (although half were aware of at least one).

² For questions relating to Jobcentre Plus services, employers were asked to consider recruitment through Employer Direct online (EDon) and through their local Jobcentre Plus offices.

³ Matching here refers to the process of linking appropriate CVs/candidates to posted vacancies and not the specific 'matching' function within Universal Jobmatch (which also allows users to test out the demand for their type of vacancy).

One in 20 (five per cent) had engaged with recruitment services (Rapid Response Service, European Employment Services, Access to Work, Upskilling Support and the Small Business Recruitment Service). Levels of use rose to 26 per cent among employers with 250+ staff. Again, awareness of each of these services stood at only around a fifth of all employers.

Information requests

Employers were also asked whether they had made use of the information provided by DWP (including that on gov.uk) in order to help them respond to requests from staff for information on issues such as flexible working, childcare and other caring responsibilities, debt or addiction or health and disability issues. Generally, where employers had had a need for this information and sought advice, the majority handled it internally, ranging from 66 per cent to 94 per cent, with the exception of those seeking information related to addiction problems (33 per cent seeking advice internally and 67 per cent externally). However, among the small number who had looked for external advice, between a quarter and a half had used DWP or gov.uk as a source of information. Overall, one per cent of employers had contact with DWP in this way over the last 12 months.

DWP also provides information to employers on pensions and pay issues such as maternity/paternity leave, providing a pension and obtaining National Insurance numbers. Overall, 21 per cent of employers had engaged with DWP in this way over the last 12 months.

Sometimes DWP will ask employers to provide information relating to current or previous employees (for example, to assist with the processing of benefit claims). Overall, eight per cent of employers had this type of contact over the last 12 months.

Employers' satisfaction scores for contact with DWP

Satisfaction levels with the different types of contact varied. The average satisfaction rating for contact relating to recruitment initiatives was 6.6 on a 10-point satisfaction scale. Around half of employers who had engaged with recruitment initiatives felt that either their needs were met at the first time of asking or that the service they received was responsive and efficient.

Average satisfaction levels with using DWP as an information resource were 7.6 for workforce management information and 8.2 for pensions/pay information.

Across all types of contact with DWP (including use of Universal Jobmatch and Jobcentre Plus for recruitment), the combined satisfaction rating was 7.3.

Workforce culture

Various combinations of factors determine employers' labour market requirements and how they engage with DWP. As well as workplace characteristics (size, sector, Jobcentre Plus Regional Group), these factors include structural features (such as how they organise their HR function, the types of labour contract they offer) and cultural factors (underpinning attitudes to workforce diversity and to the balance of responsibilities between government, employer and employee, for example).

In order to better understand how such factors combine – and thereby to deliver a greater depth of analysis that will allow DWP to better understand how to more effectively target communications and business relationships with employers – the report incorporates statistical segmentation analysis. This analysis groups employers into six segments: **social interventionists, business benefit interventionists, growing pains, steady middle, late adopters and die-hard and distant** employers.

The **social interventionist** and **business benefit interventionist** employers are small segments (accounting for only seven per cent of employers between them) but have levels of contact with DWP that are much greater than other segments. They are segments that show strong commitment to encouraging diversity in the workplace and buy in to the idea of employer responsibility for ensuring employment opportunities for individuals facing disadvantage.

The **growing pains** segment represents one in eight employers (12 per cent) and groups employers with high levels of workforce challenge (in particular finding staff prepared to work to the patterns the business requires) who are less convinced of the need for employers to work with Government in improving the employment landscape for harder to help groups than employers in other segments.

The two largest segments account for almost two-thirds of employers between them. These include:

- the **steady middle** employers who show a high level of commitment **in principle** to the concept of a diverse workforce but who in practice are not particularly likely to report that they have recruited from any groups that face disadvantage in the workplace; and
- the **late adopters** who are characterised by the belief that employers have a responsibility to look after their own staff but are less convinced that there is an argument for employer participation in activities for the wider good of the economy (such as pre-employment training and encouraging retirement saving). Such employers have relatively low levels of recruitment activity and make limited use of reduced-hours working.

The final group is the **die-hard and distant** segment. These account for one in eight of the employer population. They are relatively inactive in the labour market in the sense that they had very low recruitment levels in the 12 months prior to the survey and low engagement in recruitment and support initiatives. They are also unconvinced of the value of a diverse workforce and tend to feel there is not a strong argument for employer responsibility in any of DWP's priority areas.

Conclusions

Analysis of the survey findings suggests the following conclusions/implications.

Implications for Universal Jobmatch

- A third of employers recruiting through Jobcentre Plus at the time of the survey do not envisage using Universal Jobmatch. The majority of employers were either happy with existing or other recruitment channels or felt the service could be improved based on the level of support it provides. It may be advantageous to communicate the benefits of Universal Jobmatch to these employers in the coming months while they are still in contact with DWP so that a move to more self-service Jobcentre Plus channels does not lead to a reduction in employment opportunities for DWP customers. However, it is possible that some of these employers will be unable or simply not willing to use a self-service online channel from Jobcentre Plus.
- There are a small number of employers who have used Universal Jobmatch and not other Jobcentre Plus services for recruitment over the last 12 months (who may have either migrated from traditional Jobcentre Plus channels or who may be new to recruiting through DWP). Hence, there may be potential for Universal Jobmatch to convert some new employers to using DWP recruitment channels.

- There is potentially a strong communications message in the fact that the proportion of employers who have used Universal Jobmatch but not been able to fill a vacancy is much lower than for the ‘traditional’ Jobcentre Plus route.
- Universal Credit places a strong emphasis on progression, whereby claimants who are in work may also need to demonstrate that they are making efforts to increase their income. In the 12 months preceding the survey, the proportions of employers that reported experiencing pressure from lower paid employees to increase their salaries or working hours beyond what the business could justify were 17 per cent and nine per cent respectively. It may be interesting to monitor this over time following the roll-out of Universal Credit.

Implications for welfare reform

- To realise the benefits of welfare reform, unemployed people will be encouraged to take full advantage of flexible working opportunities. Survey findings show that longer-hours part-time working is relatively commonplace (59 per cent currently offer these opportunities). Fewer – but still a considerable proportion of employers – offer shorter-hours part-time positions involving fewer than 16 hours (35 per cent). A smaller number of employers offer positions on zero-hours part-time contracts (eight per cent).
- The introduction of Universal Credit is intended, among other things, to remove the so-called ‘benefit trap’ and this should make it easier for employers to find individuals willing to work to the patterns that suit their business. In the main, under the current welfare system, employers do not appear to have widespread difficulties when attempting to recruit part-time positions (15 per cent experiencing difficulties for positions involving fewer than 16 hours per week and 19 per cent for positions involving 16-30 hours per week); nor do they appear to have difficulties when asking existing staff to work longer hours (15 per cent experiencing difficulties) or to upskill in order to fill vacancies (five per cent experiencing difficulties). However, there were small pockets of employers who were more likely to have experienced difficulties. At an overall level, smaller companies were more likely to run into difficulties, while employers operating in the business and other services sector and the construction sector were more likely to face difficulties when attempting to recruit to zero-hours contracts.

Implications for recruitment initiatives

- Employers’ experiences of engagement with recruitment initiatives are quite mixed. Employers’ main concerns seem to focus around the perceived ineffective screening/selection of candidates that they receive. This is something that welfare reform and Universal Jobmatch are designed to address, so it will be of interest to see if this remains a concern over the next two years.
- Much of the activity that forms part of the measures to ‘Get Britain Working’ centres around opening up employment opportunities for those facing disadvantage in the labour market and one way of measuring the success of this will be in monitoring the proportion of employers who have taken on individuals from harder to reach groups. Findings from this survey⁴ provide a baseline against which future changes in employment opportunities might be measured.

⁴ This survey considered employers’ engagement with a number of recruitment initiatives (The Youth Contract; Work Experience; pre-employment training; Work Choice) that are linked with the measures to ‘Get Britain Working’.

Sectoral issues

- Employers in the non-market services sector are particularly active in the recruitment market and were most likely to respond positively to the workforce diversity statements. However, their use of Universal Jobmatch is currently lower than average.
- Construction employers are among the most likely to have experienced difficulties in filling reduced hours positions. The sector is also prominent among the early adopters of Universal Jobmatch. However, these employers appear to have had a less satisfactory experience with the service than other users.
- The trade, accommodation and transport sector also presents some opportunities. It is a sector where reduced hours working is common. It is also a sector where employers are particularly likely to have taken on young people but disproportionately unlikely to have recruited individuals from harder to reach groups.

© Crown copyright 2014.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

The full report of these research findings is published by the Department for Work and Pensions (ISBN 978 1 909532 92 2. Research Report 856. July 2014).

You can download the full report free from: <https://www.gov.uk/government/organisations/department-for-work-pensions/about/research#research-publications>

Other report summaries in the research series are also available from the website above.

If you would like to know more about DWP research, please email: Socialresearch@dwp.gsi.gov.uk