

Institution: LEEDS METROPOLITAN UNIVERSITY
Unit of Assessment: UNIT 19: BUSINESS AND MANAGEMENT
Title of case study: Labour Market, Employment and Skills Policy
<p>1. Summary of the impact</p> <p>Our research has impacted on policy and practice in the area of welfare to work, employment and skills, especially at regional and national levels. The most important impact has been through Professor Campbell's move to the UK Commission for Employment and Skills as Director of Research and Policy and subsequent applied research work by the PRI for the UK Commission on Employment and Skills (UKCES), which has contributed to the development of their policies on skills and employment. These policies in turn have informed government policy on skills, training and workforce development, and the work of the Sector Skills Councils to influence employers' practices, for example in the area of career development of staff. At the regional level, the main impact has been on skills policy through work for the Regional Development Agency.</p>
<p>2. Underpinning research</p> <p>During the 1990s the Policy Research Institute (PRI) at Leeds Metropolitan University produced a significant body of research on local labour markets, the case for active policy responses at local level and the importance of skills to economic performance and in linking unemployed people with labour market opportunities. A key area of work focused on the supply side of the labour market – on active labour market policies to help unemployed people back into work with a particular emphasis on the role of training and skills development, but an important stream of work that developed in the late 1990s was concerned with the demand side of the labour market, specifically the investigation of employers' recruitment and retention practices and their role in the transition from unemployment to work.</p> <p>Early work in this area focused on the supply side of the labour market. A research project funded by the Joseph Rowntree Foundation provided the opportunity to draw together key findings from previous research on active labour market policies and undertake some original empirical work on local employment schemes. Campbell (2000) drew on this work to discuss the evidence for the role of active labour market policy in reconnecting the long-term unemployed with labour market opportunities and proposed a strategic framework for policy development.</p> <p>An important theme of this work on labour market policy addressed the key role played by skills development for the unemployed and disadvantaged groups in particular. In an influential book on skills policy, Campbell (2002) reviewed the evidence on the relationship between learning, skills and performance for individuals, companies, and at the macro-economic level and highlighted the importance of skills to effective labour market functioning and economic performance. In this book Campbell argued the case for a radical overhaul of skills policy (Campbell, 2002).</p> <p>Subsequently, a stronger focus in this research developed on the role of the demand side of the labour market. Devins, Johnson and Sutherland (2004) investigated the impact of training interventions on employees in SME workplaces, exploring the equity of provision of training in the workplace and the impact of training on skills and employability. The results suggested that training interventions lead to positive outcomes for the majority of employees, particularly those working in organisations with relatively formalised training practices. It concluded by drawing out implications for research and policy regarding skills development and training in SMEs.</p> <p>In the final piece of underpinning research, Devins collaborated with Hogarth (University of Warwick) in an analysis of the findings from the 2001 National Employer Skills Survey. A three-stage model of recruitment was used to identify employer practices which, it was argued, can (unwittingly) contribute to labour market mismatch. It was concluded that, if recruitment from among the unemployed is to play a part in filling skills shortages, attention needs to be placed not only on the recruitment processes of employers but also on their retention and internal employee development practices.</p>

3. References to the research

- Campbell, M. (2000) Reconnecting the Long-Term Unemployed to Labour Market Opportunity: The case for a 'Local Active Labour Market Policy'. *Regional Studies*, Vol. 34, No. 7, pp.655-668. (3* ranking in ABS Academic Journal Quality Guide. Submitted in 2001 RAE Unit 39, which achieved 3a rating).
- Campbell, M. (2002) *Learn to Succeed: the Case for a Skills Revolution*. Policy Press, Bristol.
- Devins, D., Johnson, S. and Sutherland, J. (2004) Employer characteristics and employee training outcomes in UK SMEs: a multivariate analysis, *Journal of Small Business and Enterprise Development*, Vol. 11, No. 4, pp.449 – 457. (2* ranking in ABS Academic Journal Quality Guide. Submitted in 2008 RAE Unit 36, which achieved 65% at 2/3*).
- Devins, D. and Hogarth, T. (2005) Employing the Unemployed: Some Case Study Evidence on the Role and Practice of Employers, *Urban Studies*, Vol. 42, No. 2, pp.245-56. (3* ranking in ABS Academic Journal Quality Guide. Submitted in 2008 RAE Unit 36, which achieved 65% at 2/3*).

4. Details of the impact

The above underpinning research helped to provide the foundation for, and in turn was based upon, a considerable amount of contract research and evaluation undertaken by the PRI for public sector bodies at national, regional and local levels which, over the years, has influenced policy and practice in the area of employment and skills

An example at the local/regional level is provided by a contract secured by the PRI from the Regional Development Agency, Yorkshire Forward, to provide labour market intelligence and support to inform regional policy development. Thus, in 2007-08 the PRI was commissioned to undertake research to investigate employer training activity in the region, based on the analysis of survey findings and qualitative interviews. The approach to this research was informed by previous underpinning research on employer training (Devins et. al. 2004). The report (authored by Devins and Johnson, with Walton and Fidler, two other researchers in the PRI) identified the need for a more flexible support infrastructure focused more on employers' needs and circumstances. It was published by Yorkshire Forward's Chief Economist Unit (Yorkshire Forward, 2008)¹ and a series of workshops was organised to disseminate the findings and encourage providers of skills-related training to engage with an employer-led skills and employment agenda.

At national level, significant impact has been achieved on employment and skills policy through applied research undertaken for the UK Commission for Employment and Skills (UKCES). The Director of the PRI, Professor Campbell, left the PRI in 2002 to become Director of Policy and Research at the newly-established Sector Skills Development Agency (SSDA) – the research and consultancy undertaken with colleagues at the PRI over the previous decade provided the foundation for this move as he had become established as one of the country's leading experts on labour market and skills policy, reflected in the underpinning research (Campbell, 2000, 2002). At the SSDA (which was reformed in 2008 to become the UK Commission for Employment and Skills – UKCES). Campbell was an advisor in 2006-7 to the hugely influential Leitch Review of Skills, and was involved in the production in 2009 of *Ambition 2020: World Class Skills and Jobs for the UK*, the UKCES's assessment of progress in the UK on the skills agenda (UKCES, 2009)². This contribution was informed by the previous underpinning research at the PRI Campbell (2002). *Ambition 2020* drew on a report on training and workforce development produced by two PRI researchers for the SSDA (Johnson and Devins, 2008)³. *Ambition 2020* was a key source of evidence for the 2009 *Skills for Growth* White Paper (DBIS, 2010)⁴.

The impact of the underpinning research on the role of employers (Devins, et. al., 2004, 2005) can also be traced through work led by Devins, founded on knowledge and expertise gained through research in this area. Research for UKCES on Employer Collective Measures investigated the potential for policy levers to encourage employers to undertake skills development and training on a collective basis. In 2008-09 a major project involving a rigorous review of the theoretical and empirical evidence base was undertaken by a research consortium of which the PRI was a member. A study on Policy Prioritisation, based on a series of national-level workshops, was

Impact case study (REF3b)

undertaken by a research team comprising two researchers from the PRI (Devins and Nunn) and a professor in Leeds Business School (Stewart) in collaboration with IPSOS Mori. The findings, contained in a report produced for UKCES (Devins, et. al., 2009)⁵, were used to influence policy development and contributed to the UKCES overview report on the Review of Employer Collective Measures (UKCES, 2009)⁶. The latter report in turn was used as part of the evidence base for the 2009 Skills for Growth White Paper (BIS, 2010)⁴.

A research report for UKCES in 2011, based on collaborative work with York and Napier Universities, investigated the role of skills in the transition from unemployment and inactivity to employment and argued for a longer-term perspective on the concept of career as a framework for progression and the need to focus on the role of job design, line management and progression pathways in the workplace in facilitating workplace learning. This report contributed to the further development of UKCES's research agenda on this policy issue.⁷

A final example of impact through work with UKCES derives from recent research by Devins (in collaboration with researchers at the University of Derby) in 2011-12 to explore the role that employers play in providing career advice to unemployed people and the role that their progression practices play in supporting the development of people in entry level, low skilled jobs (Hutchinson and Devins, et. al., 2012)⁸. A further report, of which Devins was a co-author, was aimed at employers, emphasising the potential for career guidance to connect employers with job seekers and for employers to be able to realise business benefits by addressing the career development needs of their staff. The report argues that career guidance brings an important perspective and can play a market-shaping role by bringing together employers and job seekers to support the effective operation of the labour market (Hooley and Devins, et. al., 2012)⁹. A third report investigated employers' practices in progressing low-paid staff and the benefits in terms of retention, productivity and satisfaction (PRI and ICGS, 2012)¹⁰. These reports have been made available by UKCES on their website in order to provide advice to employers.

5. Sources to corroborate the impact

- Yorkshire Forward Chief Economist Unit (2008) *Training Activities of Yorkshire and Humber Employers: A Review. Final Report*. Leeds: Yorkshire Forward.
- Johnson, S. and Devins, D. (2008) *Training and Workforce Development in SMEs; Myth and Reality*. SSDA Catalyst, No. 7. Wath-upon-Deerne: Sector Skills Development Agency. (<http://www.ukces.org.uk/assets/ukces/docs/publications/ssda-archive/ssda-catalyst-issue-7-training-and-workforce-development-in-smes-myth-and-reality.pdf>)
- UKCES (2009) *Ambition 2020: World Class Skills and Jobs for the UK*. Wath-upon-Deerne: UK Commission for Employment and Skills. (<http://www.ukces.org.uk/publications/ambition2020>)
- Devins, D., Nunn, A. and Stewart, J.(2009), *Review of Employer Collective Measures: Policy Prioritisation*. Evidence Report No. 9. Wath-upon-Deerne: UK Commission for Employment and Skills. (<http://www.ukces.org.uk/publications/er9-ecm-policy-prioritisation>)
- UKCES (2009) *Review of Employer Collective Measures: Final Report*. Evidence Report No. 10. Wath-upon-Deerne: UK Commission for Employment and Skills. (<http://www.ukces.org.uk/publications/er10-final-report>)
- DBIS (2010) *Supporting Analysis for 'Skills for Growth: The National Skills Strategy'*. BIS Economics Paper No. 4. London: Department for Business, Innovation and Skills. (<http://www.bis.gov.uk/assets/biscore/economics-and-statistics/docs/10-604-bis-economics-paper-04>)
- Devins, D., et. al. (2011) *The Role of Skills from Worklessness to Sustainable Employment with Progression*. Evidence Paper No. 38. Wath-upon-Deerne: UK Commission for Employment and Skills. (<http://www.ukces.org.uk/publications/er38-the-role-of-skills>)
- Hutchinson, J. and Devins, D. et. al. (2012) *Developing Business, Developing Careers: How and Why Employers are Supporting the Career Development of their Employees*. Wath-upon-Deerne: UK Commission for Employment and Skills. (<http://www.ukces.org.uk/publications/developing-business-developing-careers>)

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- Hooley, T. and Devins, D. et. al. (2012) *Tackling Unemployment, Supporting Business and Developing Careers*. Wath-upon-Dearne: UK Commission for Employment and Skills. (<http://www.ukces.org.uk/publications/tackling-unemployment>)
- PRI and ICGS (2012) *Employer Practices in Progressing Low-Paid Staff*. Wath-upon-Dearne: UK Commission for Employment and Skills. (<http://www.ukces.org.uk/publications/employer-progression-practices>)

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