Talent Match evidence review

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Summary

This report provides a review of the available evidence relating to the effectiveness of policy interventions for helping young people into paid employment and offers key messages for the BIG Lottery Fund and Talent Match partnerships. The review was undertaken by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University. Much of the evidence has been derived from the UK over the past twenty years, but we have also considered a number of European and US studies where appropriate. The focus has been on young people (aged 18-24 years) but we have included other material where it highlights relevant lessons. The intention is that the report will help to inform the development of Stage 2 proposals. To this end we have sought to make the document readily understandable by avoiding jargon wherever possible. The authors have also included a glossary of employment terms.

The present review builds upon the Scoping Report on Worklessness and Employability produced by CRESR for the Big Lottery Fund in 20121. The focus here is on reviewing the evidence for a series of additional themes relating to both the strategic planning and delivery of interventions for young people. These include:

- tailoring interventions to the economic cycle
- the balance between work-first and human capital approaches
- supply-side versus demand-side approaches
- voluntary versus obligatory interventions
- the scale of programmes
- the experience and skills of client-facing staff
- targeting the hard-to-reach
- engaging employers
- the value of peer mentoring
- the role of the social partners
- job quality
- in-work support
- sequencing of support and progression.

These themes were identified as those most relevant to partnerships following a review of Stage 1 proposals. The evidence review also incorporates feedback from partnerships on a presentation of early findings at a meeting in Birmingham on the 28th February 2013.

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1 Available at [http://www.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/scoping-study-worklessness.pdf](http://www.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/scoping-study-worklessness.pdf)
1. Tailoring interventions to the economic cycle

The impact of a particular approach to tackling worklessness may vary according to the point in the economic cycle when it is introduced. During a period of strong economic growth, job search support or work experience can help young people gain a foothold in labour market if demand for unskilled or semi-skilled labour is high (O'Higgins, 2001). Training can also ensure young people have the right skills for available work to prevent ‘bottlenecks’ developing in an otherwise buoyant economy (O'Higgins, 2001).

These interventions may have different outcomes during an economic downturn. Job search is less likely to be effective if paid work is scarce (Cazes et al., 2009). Training may raise unrealistic expectations of post-programme employment (Cazes et al., 2009) although there is no conclusive evidence to suggest training works less well during a recession (Kluwe, 2006). Any training delivered during an economic downturn needs to be tailored to the future skills requirements of employers to ensure participants are well placed to compete for work in growth sectors in the recovery (Cazes, 2009).

Work experience or employment subsidies can help maintain young people’s attachment to the labour market during a downturn (O'Higgins, 2001). This can play an important role in preventing the ‘scarring’ effects of long-term unemployment that have been shown to adversely impact on the future employment and earning prospects of young people (Gregg and Tominey, 2005).

There is also less risk these activities will replace ‘real’ employment during a time when few jobs are being created. Intermediate Labour Market (ILM) programmes that create temporary jobs, usually with the requirement they offer community benefit, can also keep the unemployed job-ready. The most recent national ILM programme in the UK, the Future Jobs Fund (FJF), was seen as a valuable ‘emergency measure’ for offering work experience as well as raising confidence and self-esteem (House of Commons Work and Pensions Committee, 2010). However, an independent evaluation also criticised the FJF for not providing participants with enough support to find employment once temporary jobs ended (CESI, 2011). Encouraging young people to remain in school and continue on to higher education can similarly maintain job readiness in a recession (Bell and Blanchflower, 2009; see also Cazes et al., 2009).

Key learning for partnerships:

- Talent Match is being implemented at a time when the economy is barely growing and even faces the possibility of a ‘triple dip’ recession. Initiatives like work experience, employment subsidies and ILMs which maintain attachment to the world of work may prove essential to limit the ‘scarring’ effects on young people of long periods out of labour market.

- The need to ensure that training is matched to the current and future needs of employers makes it important for partnerships to keep up-to-date with information on labour market trends. Engaging employers through networks such as Local Enterprise Partnerships (LEPs) could also help partnerships better understand the current and future requirements of employers.
2. Work-first versus human capital approaches

There are long-standing debates about whether it is better to tackle worklessness through a 'work-first' approach that prioritises job search and rapid entry into work or a 'human capital' approach that focuses on training or education prior to looking for employment. Work-first approaches such as job search assistance and Information, Advice and Guidance can be relatively low cost and may move individuals into work quicker than human capital approaches (Beale et al., 2008). A comprehensive review of several welfare-to-work programme evaluations in the US found that work-first approaches led to significantly higher earnings than human capital approaches (Greenberg et al., 2004). Participants in 'work first' programmes earned an average of $4,134 more than non-participants over the six years since first joining; those in human capital programmes only earned $1,567 more (Greenberg et al., 2004).

Such findings though are not always supported by other studies. An international review of work-first programmes observed falls in subsequent earnings in some countries (Fay, 1996). A further criticism of work-first programmes is that they do not always lead to sustainable jobs with participants quickly returning to unemployment (Beale et al., 2008). Research showing positive impacts on earnings for work-first programmes also recognises this may reflect the inadequacies of the short-term, poor quality training in the human capital programmes evaluated rather than the failings of training per se (Greenberg et al., 2004; also Demos, 2011). The quality of training clearly matters as inadequate training can lead young people to 'churn' through, low-paid jobs, unemployment and back into substandard training (Macdonald, 2011). Other studies show that training delivered through human capital programmes can have a positive, long-term impact (Lechner et al., 2004; Card et al., 2009). Card et al.’s (2009) international study of 97 welfare-to-work programme evaluations found work-first programmes performed best in the first 12 months but were outperformed by human capital programmes in the subsequent 12 months.

The effectiveness of work-first compared with human capital approaches will also depend on the level of disadvantage faced by individuals supported. Work-first methods such as job search assistance may work well with more 'job-ready' individuals but less so with disadvantaged groups who lack the work-related or personal skills to find and hold down work (Meadows, 2008; House of Commons Work and Pensions Committee, 2010; Demos, 2011).

Key learning for partnerships:

- Work-first approaches can keep young people attached to work and reduce the risk of 'scarring'. However, they may work less well for those furthest from the labour market who are not 'job-ready'. In such cases, partnerships may want to consider structured human capital approaches such as education, training, work experience, volunteering or subsidised work placements that build the skills, qualifications and confidence necessary to look for work.

- The quality of any training offered is critical: short-term or low-level training is unlikely to break the 'low-pay, no-pay' cycle for young people churning through low-wage work or unemployment.
3. Supply-side versus demand-side approaches

Interventions to tackle worklessness can target the 'supply-side' in terms of the employability (skills, qualifications, motivation) of those out of work or the 'demand-side' in relation to the quantity or quality of available employment. A list of potential supply-side and demand-side interventions is given in Table 1 below. Demand-side approaches should not be confused with the term 'demand-led' which refers to the need to ensure that the skills and qualities of workless individuals match the requirements of local employers. This is usually achieved by working on the employability of potential job applicants in some way and is therefore a supply-side approach.

Table 1: Supply- and demand-side initiatives to tackle worklessness

<table>
<thead>
<tr>
<th>Supply-side initiatives</th>
<th>Demand-side initiatives</th>
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<tbody>
<tr>
<td>• training (classroom- or work-based)</td>
<td>• localised job creation including Intermediate Labour Markets</td>
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<tr>
<td>• education (vocational or general e.g. numeracy and literacy)</td>
<td>• public procurement agreements whereby contractors with the public sector agree to provide jobs to local people</td>
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<td>• apprenticeships</td>
<td>• job subsidies for local employers to create jobs</td>
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<td>• work experience</td>
<td>• support for start-up and development of local businesses and enterprise</td>
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<tr>
<td>• information, advice and guidance (IAG)</td>
<td>• inward investment</td>
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<tr>
<td>• job search support (CVs, mock interviews, job search, job applications)</td>
<td></td>
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<tr>
<td>• life skills (budgeting, timekeeping, personal appearance)</td>
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<tr>
<td>• behaviour and motivation (e.g. cognitive behavioural therapy)</td>
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</table>

Most national welfare-to work programmes including the Work Programme have focused on improving individual employability through supply-side interventions (Sunley et al., 2006). Critics contend that this focus fails to address the demand-side causes of worklessness in terms of a lack of appropriate jobs, particularly in older industrial areas (McQuaid and Lindsay, 2005; Keep and Mayhew, 2010; Bell and Blanchflower, 2011; Beatty et al., 2012; ACEVO, 2012). Table 2 below shows, for example, how youth unemployment in 2012 varied significantly across regions with older industrial regions exhibiting higher rates of unemployment than areas of the south and east of the country. The North East has the highest unemployment rate among 18-24 year olds at 11.4 per cent - some 5.7 percentage points higher than that in the South East.
Table 2: Distribution of 18-24 claimant unemployment across regions, February 2012

<table>
<thead>
<tr>
<th>Region</th>
<th>Number</th>
<th>% of 18-24 year olds</th>
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</thead>
<tbody>
<tr>
<td>North East</td>
<td>31,350</td>
<td>11.4</td>
</tr>
<tr>
<td>West Midlands</td>
<td>54,680</td>
<td>10.4</td>
</tr>
<tr>
<td>Wales</td>
<td>29,110</td>
<td>9.8</td>
</tr>
<tr>
<td>North West</td>
<td>66,725</td>
<td>9.6</td>
</tr>
<tr>
<td>Yorkshire and The Humber</td>
<td>54,285</td>
<td>9.4</td>
</tr>
<tr>
<td>Scotland</td>
<td>44,180</td>
<td>8.9</td>
</tr>
<tr>
<td>East Midlands</td>
<td>36,905</td>
<td>8.4</td>
</tr>
<tr>
<td>London</td>
<td>57,095</td>
<td>7.8</td>
</tr>
<tr>
<td>East</td>
<td>36,530</td>
<td>7.3</td>
</tr>
<tr>
<td>South West</td>
<td>30,820</td>
<td>6.4</td>
</tr>
<tr>
<td>South East</td>
<td>42,790</td>
<td>5.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>484,470</strong></td>
<td><strong>8.4</strong></td>
</tr>
</tbody>
</table>

Source: Claimant Count, NOMIS

Delving deeper, the variable geography of the youth unemployment issue is brought into sharp relief when considering the 20 local authorities exhibiting the highest rates of youth unemployment in 2012 (Table 3). The list is entirely composed of local authorities within the older industrial regions of northern England, the Midlands, Scotland and Wales; as well as a couple of seaside areas (Great Yarmouth and Thanet).
Survey evidence shows that young people perceive a lack of jobs as a key barrier to work. A study by Reed in Partnership (2010) found that the second and third most commonly cited barriers were 'too much competition' (61 per cent) and 'nothing suitable available' (35 per cent).

Data show that the shortage of jobs for young people is not simply a 'cyclical' trend driven by the economic downturn since 2008. Youth unemployment started rising in 2004 during the 'long boom' which points to longer-term 'structural' causes that will not be resolved by economic recovery alone (ACEVO, 2012). This may account for between seven and nine per cent of all youth unemployment (ACEVO, 2012). A key contributing factor is the decline in the availability of work in key sectors that employ large numbers of young people. The 'wholesale, retail, motor trade or hotels and restaurants' sector which employs around 40 per cent of young people provided work for 200,000 fewer young people in 2007 than 2004 (ACEVO, 2012). Future growth in the economy will not necessarily deliver growth in the same sectors. The UK Commission for Employment and Skills estimate that, at the lower end of the labour market, it is the healthcare, childcare, leisure, housekeeping, hairdressing and personal service occupations that will see the largest rises with an additional 313,000 jobs by 2020 (UKCES, 2012).

This should open up new opportunities for young people (Sissons and Jones, 2012), albeit ones that may not necessarily appeal equally to young men and women given the gender imbalances in those occupations. Also, while it may make sense to take a
'demand-led' approach in targeting growth industries, this in itself will not increase the total number of vacancies available to young people. Instead, it could simply lead to a 'substitution' effect where the prospects of one group may be improved at the expense of another. This may address a need to 'shift the odds in favour of young people' (ACEVO, 2012) in a labour market that currently favours older workers, but it will not reduce overall levels of worklessness. It also risks high levels of 'deadweight' as programmes place people that would have found work anyway. Estimates suggest that up to 80 per cent of those placed in the Youth Training Scheme (YTS) of the late 1980s would have found work anyway or displaced other jobseekers in the competition for limited work (O'Higgins, 2001).

The effectiveness of supply-side programmes in improving job prospects is likely to be constrained by the availability of work locally. A study of the New Deal for Young People (NDYP), for example, showed that geography matters with the NDYP performing worst in inner city and declining industrial labour markets (Sunley et al., 2006). Studies of several welfare-to-work programme evaluations in the United States also found that programmes located in the highest areas of unemployment generated lower earnings and employment rates among participants (Walker et al., 2003; Greenberg et al., 2005).

These findings suggest that policy makers need to think about how they can create jobs as well as improve employability. There are a number of ways of doing this (see Table 1) although not all will be accessible to smaller, local programmes. Local economies operate across much wider areas than neighbourhoods or local authorities. Interventions to stimulate demand such as attracting inward investment or funding infrastructure projects may make more sense as part of sub-regional, regional or national economic development strategies. This is the rationale for interventions such as the government's Regional Growth Fund and Growing Places Fund. This should not prevent local programmes from trying to influence, and benefit from, wider strategies to promote economic growth. Research has shown that neighbourhood-based programme are often too disconnected from broader initiatives to create jobs (Syrett and North, 2008). This can lead to a skewed focus on increasing jobs with higher levels of skills that are not necessarily accessible to workless residents in deprived areas.

However, there are direct approaches to creating jobs which can be more easily deployed at the local level. One approach is to support the development of business and enterprise among young people. There is surprisingly little evidence on the effectiveness of such approaches, though, and the evidence which does exist is not overwhelmingly positive. A study of 2,000 young people who took part in Prince's Trust Business Programme (Department for Work and Pensions (DWP), 2003) found:

- it made little difference to employment rates
- there were high levels of 'deadweight' with more successful participants tending to say they would have set up their business anyway without support
- it was least effective for young people with no qualifications compared with better qualified peers.

An alternative approach to creating jobs is to offer temporary, waged positions through ILMs. A recent example is the national Future Jobs Fund (FJF) programme which created more than 100,000 jobs full-time posts in the public and voluntary sector for six months. These were paid at the minimum wage and expected to deliver community benefits. There is evidence FJF made a positive impact. An independent evaluation concluded FJF moved a number of participants into work (43 per cent); provided valuable experience of 'a real job with a real wage' in depressed labour
markets; and was **cost-effective** in terms of cost per job outcome (£9,000) relative to the NDYP (CESI, 2011). It was also seen as **effective in supporting the hardest-to-help** (House of Commons Work and Pensions Committee, 2010; CESI, 2011). The perceived benefits of the programme led to several calls to calls to reinstate a similar kind of scheme (Beatty *et al*., 2010; UK Commission on Employment and Skills, 2011; Bivand *et al*., 2011; Crisp *et al*., 2012; ACEVO, 2012).

ILMs offer a promising approach to job creation but organisations planning or delivering them need to consider:

- funding jobs that would otherwise not exist to avoid subsidising posts that would have been created anyway (Beatty *et al*., 2010; ACEVO, 2012).
- the difficulties in involving private sector employers because of EU state aid rules that prohibit subsidies and the need to demonstrate community benefit (Beatty *et al*., 2010; CESI, 2011).
- on-going support once temporary jobs end with the independent evaluation of the FJF criticising a lack of post-programme support (CESI, 2011).
- the importance of making jobs part-time to ensure participants have time for training and job search to reduce 'lock-in' risks where full-time work activity prevents individuals from looking or preparing for work (ACEVO, 2012).
- measures to create new jobs in deprived areas in particular risk 'leakage' as better-qualified non-residents take up new jobs (North and Syrett 2006; Ritchie *et al*., 2005).

**Key lessons for partnerships**

- Supply-side initiatives alone are unlikely to reduce overall levels of worklessness among young people significantly **without a concurrent increase in the number of jobs** available.
- Unemployment varies considerably place to place and local levels will affect the success of interventions. Partnerships need to carefully **consider the number and type of jobs** in their local economy to determine the right balance between supply-side and demand-side interventions.
- Partnerships need to be aware of, and link into, **wider initiatives to stimulate growth** to make sure emerging jobs opportunities do not 'bypass' the young people they support.
- Careful monitoring of labour market trends is important to identify sectors in decline and those likely to provide more jobs in the future in order to help young people **make informed career choices**.
- The balance of evidence suggests **ILMs are a better option** for creating jobs than business support projects, especially for more disadvantaged young people.
4. Voluntary versus mandatory interventions

The evidence on the effectiveness of compulsory interventions is mixed. On the one hand, there is some evidence from the United States to suggest compulsory programmes achieve better employment and earning outcomes than voluntary programmes (Walker et al., 2003; Greenberg et al., 2005; Greenberg et al.’s (2005) review of 64 welfare-to-work programme evaluations in the United States found sanctions had a positive impact on programme effectiveness. It has also been identified as a way of ensuring that young people maintain links to the labour market (Higgins, 2001) which could help avoid the ‘scarring effects’ of spending a long time out of paid work. Compulsory activities can also be viewed positively by participants if they develop existing skills or offer valued new experiences (DWP, 2008).

On the other hand there is evidence that compulsory interventions can have number of negative effects. An evaluation of the Flexible New Deal (DWP, 2008) found that:

- compulsion forced people into unsuitable jobs or led them to disengage altogether if they did not want to take up the opportunities available
- threats of benefits sanctions reduced trust in the personal adviser as well as motivation whilst stoking feelings of resentment and alienation
- Mandatory Work Related Activity offered ‘little or nothing’ in terms of skills or experience if work placements were considered inappropriate by participants. One example given was that of an IT installation and repair specialist sent to stack shelves
- sanctions are less likely to change the behaviour of the most disengaged with longer-term JSA claimant least likely to respond to threats to cut benefits.

Separate research from the US has also shown that compulsory programmes that mandate participation in in unpaid work for benefits can also have ‘lock-in’ effects which limit time for job search (Crisp and Fletcher, 2008).

Key lessons for partnerships

- Talent Match participants may already be engaged in compulsory work interventions such as the Work Programme. Offering services on a voluntary basis may therefore provide a valued alternative for these young people.
- However, lock-in effects may make it difficult for them to engage extensively with Talent Match provision. This makes it important that partnerships liaise with both Jobcentre Plus and Work Programme providers to understand the nature and extent of compulsory activities to ensure Talent Match provision fits around these requirements.
5. The scale of programmes

A general finding is that large programmes are less effective because they are less likely to be tailored to the specific needs of participants (O'Higgins, 2001). Furthermore, as programmes are extended, the scope for improving the relative competitiveness of participants’ falls and deadweight increases (Calmfors, 1994). This may explain the poor performance of the Youth Training Scheme as being due to the large scale of the programme and the lack of targeting. White (1996) argued that the success of Work Trials was due to the small scale, selective and resource intensive nature of the programme. These factors are often associated with other successful Government interventions (White, 1996).

A review of training for young people with low qualifications acknowledged that the principle that training programmes should be relatively small in scale has contributed to a move away from large-scale training programmes in a number of OECD countries (Wilson, 2013). This was a key conclusion of Martin and Grubb (2001) in their review of active labour market policies. Calmfors, Forslund and Hemstroem (2002) also found that Swedish employment programmes became less effective when the recession of the 1990s led to large numbers of participants. ‘Small’ was not precisely defined but is generally used in contrast to large-scale national programmes that are not closely targeted or aligned to the labour market or personalised to the needs of particular groups of young people.

6. Client-facing staff

Introduction

The experience and skills of staff

The move towards localised approaches to tackling youth unemployment needs to recognise that areas differ in their capacity to deliver effective interventions, in terms of the skills of delivery staff, the capacity within local organisations to take part, and in the relationships between collaborating organisations and local employers (Fletcher et al., 1998; DCLG, 2006; Hasluck and Green, 2007). Many studies have highlighted the critical importance of getting the right client-facing staff in place. Research has shown that the successful delivery of interventions to help those out of work involves the deployment of high quality staff, particularly personal advisers. The quality of the relationship between the personal adviser and the individual can have a strong effect on participant experiences and the performance of labour market interventions (Knight et al., 2005; Casebourne et al., 2006; Dewson et al., 2007; Hasluck and Green, 2007).

High quality relationships with beneficiaries are facilitated where caseloads are small, bureaucracy and formality is minimised, contact is sustained and benefit sanctions are used as a last resort (Insite Research and Consulting and ECOTEC, 2003). Interventions that have maintained stable cohesive adviser teams, relatively unaffected by staff turnover, have realised a number of benefits in the way in which they have worked with the unemployed. Advisers have, for example, become more familiar with their diverse needs and circumstances; become more knowledgeable about appropriate ways of dealing with beneficiaries and the, often complex, array of help that is already available in the local area (Dewson et al., 2007). Stable teams
have also become more professional in managing their caseloads over time (Dewson et al., 2007)

Casebourne et al. (2006) found that having the majority of advisers trained to NVQ Level 3 in Advice and Guidance and a strong emphasis on the training and mentoring of staff were key features of successful employment interventions. The implementation of the Working Neighbourhoods Pilot highlighted an on-going need for training to address specialist adviser requirements such as dealing with vulnerable groups, mental health problems, drug and alcohol issues etc. (Dewson et al., 2007). A key finding is that the most effective personal advisers are characterised by a range of attributes/skills (see Box 1).

**Box 1: Effective adviser attributes/skills**

- good interpersonal skills
- good communication skills
- enthusiasm/passion for the job
- strong motivation/commitment
- confidence and outgoing personality
- ability to use initiative and to 'think on their feet'
- ability to work flexibly and being prepared to work out of hours
- willingness to try something different
- being able to pick up on subtle clues and get to the bottom of complex issues and barriers
- being a 'team player'
- knowing where to refer individuals on to for non-employment needs
- being approachable
- being empathetic and non-judgemental and able to relate to the circumstances of target groups and the needs of individuals
- having local knowledge and being known and trusted by the community
- reflecting the community served, e.g. being from the same ethnic background and speaking the same language as customers.


**Key lessons for partnerships**

- The successful delivery of interventions to help disadvantaged young people into work requires the deployment of **high quality staff**, particularly personal advisers.
- Effective advisers are appropriately **trained** and characterised by a range of **personal attributes**.
- Partnerships should seek to maintain **stable adviser teams**. This will help to realise a number of benefits regarding the way in which advisers work with young people.
- **Local knowledge** is vital for working effectively in particular communities. Consideration should be given to recruiting advisers from the communities served in order to ensure that staff have the necessary local knowledge and are trusted.
7. Targeting the hard-to-reach

A key finding of programme evaluation is the importance of targeting. It has generally been found that closely targeted programmes are more effective than non-targeted ones (OECD, 1993). This is because programmes that are better tailored to meet the needs and abilities of specific groups are more likely to be more successful. A common finding is that broadly based programmes tend to aid those who are already relatively well-equipped for the labour market (O’Higgins, 2001). In doing so these types of programme end up increasing levels of inequality between different groups of young people (O’Higgins, 2001).

There is strong evidence that the New Deals were relatively less effective for disadvantaged groups (Millar, 2000). Bonjour et al (2002) found that multiply disadvantaged groups tended to perform poorly in relation to many measures of employability and did not always have as good experiences of the New Deal as other respondents. Young people resident in deprived communities were also more likely to be participating in the Environmental Task Force than residents from less deprived areas, and having entered it tended to do worse in terms of unemployment exits (Bonjour et al., 2002). Evaluations of Employment Zones and Action Teams for Jobs also suggest that they have been less effective at helping the more disadvantaged (Sanderson, 2006). This is a significant finding in view of the fact that these initiatives are specifically targeted at the problems of high and persistent levels of worklessness among particular groups (Sanderson, 2006).

The emphasis of Talent Match on ensuring that funding makes a definite impact on groups furthest from the labour market underlines the importance of effective engagement and outreach. Outreach provision is essential in order to reach the most disadvantaged groups and minimise deadweight (Sanderson, 2006). It needs to be viewed as a gradual process of gaining the trust of residents and local organisations. Outreach work does not necessarily generate ‘quick wins’ (Dewson et al., 2007). It is important that outreach premises are local, ‘non-official’ and comfortable (Sanderson, 2006; Dewson et al., 2007). Libraries, schools, community centres, football clubs and pubs have all been successfully used for outreach. It can also help to ensure that the most disadvantaged groups are able to take advantage of the available support. Effective outreach advances social equity and helps to minimise deadweight, which occurs when interventions help those that would have been able to help themselves (Sanderson, 2006). It can also generate a ‘snowball effect’, with newly engaged individuals generating word-of-mouth referrals (Hirst et al., 2005).

The most disadvantaged can be helped into work if support is sufficiently tailored to their needs and circumstances. Reviewing a range of research on local schemes involving job brokerage, adult learning and young people with multiple disadvantages, the DCLG (2006) concluded that there were clear advantages in providing holistic, client-centred support including both outreach and inter-agency collaboration. Evidence from Action Teams for Jobs (Casebourne et al., 2006), European Social Fund projects (Hirst et al., 2005; Taylor and O’Connor 2005), Employment Zones (Hirst et al., 2006) and projects for substance misusers (Sutton et al., 2004) have all highlighted the importance of flexibility in responding to the needs of clients and delivering an individually-focused service.

Sheltered or supported employment (Intermediate Labour Markets) may be appropriate for some groups especially those initially unable to compete in the labour market (Hasluck and Green, 2007). Helping the most disadvantaged is more resource intensive because they require individually tailored support over a long
period (Hasluck and Green, 2007). Nevertheless, some of the most disadvantaged individuals will remain towards the back of the queue for work. This raises important questions of where and on whom finite resources should be concentrated and about appropriate metrics for measuring ‘what works’ (Hasluck and Green, 2007).

**Key lessons for partnerships**

- The focus of Talent Match on groups furthest from the labour market underlines the importance of conducting effective outreach work.
- Outreach is a gradual process of gaining the trust of disadvantaged young people and the local organisations that can facilitate access to them.
- Partnerships must be able to respond flexibly to the needs of disadvantaged young people and deliver an individually-focussed service.

**8. Engaging employers**

Interventions must address local labour market needs to help secure employment for participants. However, engaging employers is not always straightforward. They may be resistant to anything that is time consuming and does not have clear outcomes (Meadows, 2008). Fletcher (2001) discovered that many New Deal Innovation Fund projects had encountered problems establishing productive relationships with local businesses due to:

- a failure to involve employers in the design of pilots
- poor local labour market knowledge
- inadequate assessment of employer needs
- the client-focused outlook of some providers and their limited experience of working with employers
- limited local labour market relevance
- inappropriate marketing techniques e.g. 'cold-calling' or large-scale mailshots.

Engaging employers is a form of outreach work which requires high levels of interpersonal skills and good organisational support (Meadows, 2008). Employers must be involved as early as possible, and the process must be simple and straightforward (Meadows, 2008). The evidence is that engagement is best facilitated through specialist staff (Fletcher, 2001; Casebourne et al., 2006; Dewson et al., 2007). A key lesson is that it is better to have strong links with a few genuinely committed employers than weak links with many (Fletcher, 2001; Meadows, 2008). Many interventions have made use of existing employer networks and met employer needs. In terms of the latter, Atkinson et al. (2007) has found that the key attractions to employers becoming involved in the Fair Cities intervention were:

- to overcome skill shortages
- the provision of targeted, employer-specific recruitment
- to fulfil corporate social responsibility objectives
- to ensure that the workforce reflects the local population and key service users.
Engaging small and medium-sized organisations can be particularly difficult. Many find recruitment expensive, and interventions can exploit this by offering a job matching service and by ensuring that follow-up support is available (Meadows, 2008). One possible approach is to offer employers the possibility of free or low-cost trials before they decide whether to take someone on (Hirst et al., 2005). Projects working with specific disadvantaged groups have found that they can help individuals into work if they can also provide a service for employers in terms of helping them to find staff. This has been found to be true for offenders (Fletcher et al., 2001) substance misusers (Sutton et al., 2004) and people with learning difficulties (Hirst et al., 2005; Simons 1998). However, some employers will have concerns about the job-readiness of such individuals and will need to be assured that recruitment will not lead to further costs resulting from high turnover and high risk behaviour (Fletcher, 2001).

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 (Sanderson, 2006; DCLG, 2006). The evidence consistently suggests that interventions with employer-placements and work-based training are more successful in leading to employment (Meadows, 2008). 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.

### Key lessons for partnerships

- Engaging employers is a form of outreach work that is best facilitated through dedicated staff.
- Partnerships should make use of existing employer networks and recognise that levers for securing the involvement of employers may include the need to overcome skill shortages; fulfil corporate social responsibility objectives; ensure that the workforce reflects the local population and key service users.
- It is better to have strong links with a few genuinely committed employers than weak links with many.
- Partnerships will be able to help disadvantaged individuals into work if they can also provide a service for employers that helps them to find staff.

### 9. Peer mentoring

Mentoring usually involves someone more experienced guiding, coaching or encouraging someone less experienced in the performance of a task or role. Young entrepreneurs are often offered mentor support which can help them to overcome two major obstacles: limited experience; and lack of networks (Kenyon and White, 1996). Effective mentor support strategies are built upon: careful selection of mentors (coach and support role); guidelines to help both parties understand what is expected of them; mentor training; and regular monitoring of the relationship (O’Higgins, 2001).

**Peer mentoring** involves mentors of the same age and/or who have been in a similar situation and/or come from a similar background as their mentee (Finnegan et al., 2010). It is a key Talent Match intervention. UK peer interventions have grown rapidly over the past decade and young people have been a key target group (Mentoring and Befriending Foundation, 2011). The United Nations Office of Drugs...
and Crime (2003) advises that young people are more likely to listen to other young people because they can understand the context within which they operate, and can convey information in a way that they can understand. However, the evidence-base for this type of approach is relatively undeveloped. Moreover, Finnegan et al. (2010) conclude that the evidence is very mixed regarding the positive effects of mentoring and peer mentoring.

Nevertheless, some of the features of effective peer mentoring relationships have been identified. First, enthusiasm and a willingness to take part are essential characteristics for both the mentor and mentee for a successful mentoring relationship (Finnegan et al., 2010). Second, longer schemes (a year or more) with frequent contact of at least once a week are more effective (see Clayton, 2009; Rhodes and Dubois, 2006). Meier (2006) found that young people who were in mentoring relationships that terminated within the first three months experienced significantly larger drops in feelings of self-worth and lower perceived scholastic competence than young people who did not receive any mentoring at all. Finally, peer mentoring is more likely to yield positive results when used in conjunction with a wider programme of support.

A consistent finding is that peer mentors rather than mentees gain the most from such interventions. Key individual benefits have included: increased self-esteem and self-confidence; personal growth; greater empathy; and improved communication skills. A review of offender peer interventions has found that in the right circumstances peers may be better at engagement activities; can act as 'identity models'; may be more effective at sharing information and knowledge; and can support managerial and front-line staff struggling with growing workloads (Fletcher, 2012). However, high rates of peer turnover may compromise service delivery; the ambiguity of the role means that mentors are placed in a 'grey area' where they are neither service users nor professionals; and peers may require considerable training and support (Fletcher, 2012). Moreover, peer support brings unique challenges which necessitate the implementation of effective recruitment, training and support processes (Fletcher, 2012).

**Key lessons for partnerships**

- Peer mentors may experience a number of benefits including increased self-esteem and self-confidence; personal growth; greater empathy; and improved communication skills.
- Effective peer mentoring has several features including: enthusiasm and a willingness to take part on behalf of both parties; long-term engagement with frequent contact; integration with wider programmes of support.
- Partnerships should recognise that peer support brings unique challenges which necessitate the implementation of effective, recruitment, training and support processes.
10. The role of the social partners

An International Labour Office study of youth unemployment found that: ‘the most effective schemes are those with good links with the private sector; employers know what type of skills are required. Trade unions, on the other hand, can help ensure that schemes provide a high level of general training, which will enhance the employability of participants rather than simply provide cheap labour’ (O’Higgins, 2001: 115).

UK youth employment policy has hitherto been developed very much with employers’ requirements in mind, with little or no involvement of the trade unions. Consequently, workers’ organisations have often had an ambivalent attitude towards interventions. One of the key weaknesses of the Youth Training Scheme was its failure to ensure consistent support from the trade unions (Ryan, 1994). Lloyd and Commander (2011) have identified a potentially important role for trade unions in improving job quality (see below).

Key lessons for partnerships

- Based on evidence from previous programmes, Talent Match partnerships should consider forging links with both key employers and Trade Unions.
- These relationships are likely to be locally specific to the aims of the Talent Match partnership.

11. Job quality

The 'stepping stone' thesis views the unstable early labour market careers of young people as part of a process of settling into the labour market before advancement to more secure, better jobs. Yet there has been a growing recognition that many disadvantaged young people are becoming trapped in poor quality work characterised by low pay and chronic insecurity. An examination of disadvantaged young men in Scotland found that their main problem was not finding work but keeping it (Furlong and Cartmel, 2004). Furthermore, this was almost entirely a consequence of the flexible nature of low-skilled work available to young people in weak labour markets. Similarly, Jones (2002) sees the insecure labour market careers of disadvantaged young people as a reflection of the lack of possibilities for more secure work. More recently, Shildrick et al (2012) have found that many young people in Teesside were trapped in low-paid, low-skilled, insecure jobs, ineffectual training schemes and unemployment. Moreover, the longitudinal nature of the Teesside research has revealed that many young people had not progressed into stable work in over a decade (Shildrick et al., 2012).

Researchers in the US have also identified the issue of job quality. ‘Improving low wage work is the next frontier of labour market policy’ (Osterman, 2008: 44). Job creation and up-skilling the workforce is necessary but not sufficient to tackle the issue because there is little evidence of improvements in pay and conditions ‘trickling down’ to those at the bottom of the labour market during periods of economic growth. Moreover, rising unemployment typically leads to a policy interest in ‘any job’ as opposed to ‘good jobs’ (Lloyd and Commander, 2011). However, it may be an opportune moment for focussing on job quality because income inequality, social
mobility and skills utilisation are likely to worsen over the next few years (Lloyd and Commander, 2011).

Osterman and Shulman (2011) have argued that policy makers need to create more quality jobs, improve access to good jobs, and make 'bad jobs better'. A recent Economic and Social Research Council (ESRC) seminar has underlined the role that the public sector can play in developing 'career ladders' and ensuring good quality jobs for their own employees but also for subcontractors and suppliers (Lloyd and Commander, 2011). Osterman and Shulman (2011) highlight the potential for developing 'career ladders' within large companies that invest in training and progression routes for new recruits. Sissons (2011) has argued that large employers and sectors such as schools, hospitals and banks are better suited to providing 'career ladders'.

Key lessons for partnerships

- Many disadvantaged young people are becoming trapped in low-paid, low-skilled, insecure jobs, ineffectual training schemes and unemployment.
- It may be the right time to focus on job quality because income inequality, social mobility and skills utilisation may worsen over the next few years.
- Partnerships could consider the development of 'career ladders' within large companies that invest in training and progression routes for new recruits as a means to improve the ability of young people to progress to better jobs.

12. In-work support

People who enter work following a period on benefits often bring with them a range of problems which affect their ability to retain work (Meadows, 2008). There is some evidence that job retention is more difficult for disadvantaged groups (Sanderson, 2006). People may subsequently leave their jobs because of problems both inside and outside of the workplace. The latter include childcare or transport difficulties, substance abuse, physical or mental health problems or criminal records. Work-related problems include temporary jobs, unrealistic expectations, disagreements over hours of work and problems with colleagues (Stafford et al., 2007; Lewis et al., 2005; Dixon and Warrener, 2008; Walker and Kellard, 2001).

In-work support may be especially important for young people because they often lack experience of the world of work. Many young people have work histories that are characterised by 'churning' i.e. repeated short spells in and out of work (see Furlong and Cartmel, 2004; Shildrick et al., 2012). Consequently, young people may particularly benefit from in-work support (Hasluck and Green, 2007). Fletcher (2001) has highlighted a number of key issues with interventions providing in-work support for young people:

- it is vital that organisations providing in-work support enjoy credibility with both beneficiaries and employers
- those providing in-work support need a broad mix of skills and aptitudes, ranging from good interpersonal abilities, through marketing and outreach skills ('selling' the service to employers and agencies) to knowledge and awareness of different sources of advice and guidance
- interventions must pay sufficient attention to the needs of employers
• it is vital that contact is established with employers and individuals before the latter are placed into work
• beneficiaries suffering from severe problems such as homelessness are unwilling to disclose which compounds difficulties getting specialist agencies on board.

A key challenge facing such programmes is overcoming the reluctance on the part of people who have moved into work to engage with the available help. Some do not see it as relevant and others may regard it as a threat to their new-found sense of independence (Dixon and Warrener, 2008; Griffiths et al., 2006; Hall et al., 2005; Walker and Kellard, 2001). Employers find it difficult to cope with disadvantaged new employees. Staff need to have access to a range of more specialised support services to deal with health, housing or substance misuse issues for those with more complex needs (Walker and Kellard, 2001; Dixon and Warrener, 2008). However, employees are often reluctant to have intermediaries discussing them with their employer, so it is not clear that engagement of advisers with employers is helpful (Dixon and Warrener, 2008).

Those moving from welfare to work are often unaware of the kind of help and support they can get. Providing ready access to advice on these issues (in-work income support, childcare etc.) and help in claiming may increase retention (Meadows, 2008). Measures to improve incomes while in paid employment (such as the Working Tax Credit) have the effect of improving job retention (Blundell, 2002). However, such incentives are likely to be ineffective unless people are aware of their availability and understand what impact a successful claim is likely to have on their income.

Key lessons for partnerships

• Disadvantaged young people may benefit from in-work support to help them stay in employment.
• Effective in-work support has several features: those providing support have credibility with both parties; providers need a broad range of skills and attitudes; contact is established before individuals are placed into work; interventions pay sufficient attention to the needs of employers.
• Partnerships should encourage young people suffering from severe problems to disclose them in order to access specialist support.

13. Sequencing of support and progression

There is evidence that the timing and sequencing of interventions can impact on the employment and earning prospects of young people. A typical pathway consists of initial, light-touch support by Jobcentre Plus advisers followed by more intense job search requirements and, finally, referral to an external provider for more intensive support. At any point, participants may leave the programme to employment or, at various points, be referred or signposted to alternative forms of structured support such as work experience, an ILM placement, apprenticeship or full-time education. This pathway is outlined in Figure 1 in terms of the current package of support available to young people under the Youth Contract and Work Programme.
In terms of the ideal sequencing and timing of support, **early, intensive one-to-one support can be crucial** to reduce the risk of long-term unemployment or the ‘revolving door’ of unemployment, poor quality training and low-wage, low-skilled work (ACEVO, 2012). Indeed, there are claims that withdrawal of targeted, early job search advice in the UK contributed to the rise in youth unemployment in 2004 (Goujard et al., 2010; Demos, 2011). There is also evidence that **job search should be integrated into all stages of support**. This **reduces the risk of 'lock-in'** where job search is neglected during full-time activities such as training or ILM placements (CESI, 2011). At the same time, this risk must be balanced against the potential longer-term benefits of training on employment and earnings (Bivand et al., 2011).

There also needs to be an emphasis on **progression during and after structured activities**. A key criticism of the Future Jobs Fund was its failure to offer on-going and post-placement support to move into work or alternative activities such as Apprenticeships (House of Commons Work and Pensions Committee, 2010, Bivand et al., 2011; see also Crisp et al., 2012). This concern about the lack of destinations after support was addressed directly by the ACEVO (2012) Commission on Youth Unemployment. It proposes an ILM scheme for Work Programme participants who complete the two years of activities without finding work. The ILM would be unlimited in terms of length but also offer on-going training and support to move into unsubsidised work to avoid ‘lock-in’ effects.

The ideal sequencing and timing of interventions will **differ for those furthest from the labour market**. The most job-ready may benefit from a 'work-first' approach. An Evaluation of the Tailored Pathways pilots, which aimed to help NDYP customers to progress through the options into sustained employment more quickly, found that young people closest to the job market benefited most from the increased flexibility of the Tailored Pathways (Hasluck and Green, 2007). By contrast, the **most disadvantaged may need more intense, structured support** to get them to the point where they are ready to begin looking for work. **Volunteering** has been
identified as a **sheltered and supportive environment** that can improve the work-readiness of vulnerable young people who might otherwise struggle to access more formal programmes such as Apprenticeships (Newton *et al.*, 2011).

At a later stage, progression onto more formal programmes may require some form of additional **pre-programme preparation**. Individuals lacking the qualifications to access Level 3 Apprenticeships, for instance, can acquire these through pre-apprenticeship training although such provision is currently in short supply (House of Commons Work and Pensions Committee, 2010; Institute for Public Policy Research, 2011; ACEVO, 2012). Achieving positive outcomes for the most disadvantaged can take **considerable time**. A synthesis across various employment pilots concluded that no matter how customised and flexible support is, it may be insufficient to help the most disadvantaged within a 6-12 month period (Insite Research and Consulting and Ecotec, 2003).

Equally, it is important to remember the **hardest-to-reach are not a single group with identical needs**. The appropriate sequencing and timing of interventions will vary. Hasluck and Green's (2007) review of evidence on 'what works' in tackling worklessness identified important differences depending on the barriers faced:

- **lone parents**: Jobcentre Plus advisers noted that lone parents will often need initial support around the issues contributing to the need to make claim benefits. It may only be appropriate to discuss options for returning to work some months after the initial claim.
- **disabled**: an evaluation of the Incapacity Benefit Reforms pilot highlighted the need to give the right information at the right time (and without pressure) and to re-introduce information at appropriate times rather than just at the first interview.
- **individuals facing acute disadvantage**: individuals facing disadvantage such as homelessness or substance or alcohol misuse may need help with non-employment-related issues e.g. heath and housing before any interventions around work. Indeed, stable and successful benefit claiming in itself may represent a significant positive advance.

### Lessons for partnerships

- **Job search needs to be integrated at all stages** to avoid the risk of 'lock-in'.
- It is important to have **options for progression at every stage** so that interventions do not come to an end with no obvious follow-on activity for young people who have not yet found work.
- Partnerships could play a valuable role in providing support that helps individuals **prepare to move into structured activities** such as Apprenticeships as this type of provision is often in short supply.
- The appropriate timing and sequence of activities will vary according to the circumstances of, and disadvantages faced by, different groups of young people. This makes it important to offer **different pathways of activity** according to individual need.
Glossary of employment terms

**Action Team for Jobs**: an intervention that sought to increase the employment rates among disadvantaged groups in 63 deprived areas.

**Cyclical unemployment**: unemployment that arises from the natural tendency of the economy to experience a downturn following a period of growth.

**Deadweight**: changes that would have occurred regardless of an intervention being made.

**Demand-led**: an approach to tackling worklessness that is responsive to the needs and requirements of employers (not to be confused with demand-side approaches, as outlined below).

**Demand-side**: the quantity or quality of available employment. Demand-side interventions to tackle worklessness will typically focus on creating more or better jobs.

**Displacement**: the extent to which activities associated with an intervention take labour from other local businesses.

**Economic cycle**: the tendency of an economy to swing between periods of growth and decline over a long period of time.

**Employability**: an individual's ability to obtain and retain a paid job through possessing the requisite skills, knowledge etc.; also dependant on personal circumstances and external labour market conditions.

**Employment Zones**: an intervention that sought to test new ways to help the unemployed to find and keep a job in fifteen areas of high long-term unemployment.

**Evaluation**: the assessment of the outcomes and impacts of a particular action.

**Flexible New Deal**: A programme that rolled all separate New Deal schemes (see below) into a single programme that ran between 2009-10 with the intention of providing a more tailored, flexible approach.

**Future Jobs Fund**: An ILM programme which ran from 2009-10 and created more than 100,000 jobs full-time posts in the public and voluntary sector for six months. These were paid at the minimum wage and expected to deliver community benefits.

**Growing Places Fund**: A £730 million pot of money allocated to Local Enterprise Partnerships (LEPs) to boost economic growth through building new homes, creating jobs and restarting stalled projects.

**Human capital approach**: An approach to tackling worklessness that focuses on training or education prior to looking for employment.

**Intermediate Labour Market (ILM)**: an intervention that seeks to give those furthest from the labour market a route back into work. The core feature is paid work on a temporary contract together with training, personal development and job search activities.

**International Labour Organisation (ILO)**: a United Nations specialised agency which seeks the promotion of social justice and internationally recognised human and labour rights.

**Impacts**: the (economic or societal) result, both positive and negative, of an action.
Job Seekers Allowance (JSA): a benefit claimed by people who are not working but are looking for work.

'Low-pay, no-pay' cycle: continual movement between low-paid, low-skilled work and worklessness that is often characteristic of young people with low levels of qualifications.

'Lock-in': an effect where longer-term or full-time work-related activities such as training reduce the time available for job search and, therefore, dampen job prospects.

Mandatory Work Related Activity: Four weeks of mandatory activity, usually in the form of a work placement, required of Flexible New Deal clients after approximately six months on the programme.

Mentor: a person who gives others the benefit of their knowledge through a process of support, advice and encouragement.

New Deal: a series of government welfare-to-work programmes (e.g. the New Deal for Young People and New Deal for Long Term Unemployed) for getting people back to work that ran from 1997 before being merged into a single Flexible New Deal in 2009.

New Deal Innovation Fund: an intervention that sought to develop innovative ways of improving the quality and effectiveness of provision in the New Deal for Young People and the New Deal for Long Term Unemployed.

New Deal for Young People: a Government intervention for getting those aged between 18 and 24 years back to work that was introduced in 1997.

National Vocational Qualification (NVQ): a qualification mainly gained whilst an individual is in work.

Peer Mentor: a person of the same age or who has been in a similar situation or comes from a similar background who gives others the benefit of their knowledge through a process of support, advice and encouragement.

Regional Growth Fund: A £2.4 billion programme operating across England in 2011-15 that funds projects and programmes with the potential to create additional employment in the private sector.

Replacement demand: estimated numbers of people required to enter the labour market in order to compensate for those leaving it.

Scarring: the negative impact of long-term unemployment on the future employment and earnings prospects of young people.

Skills gaps: relates to the difference between the current skills of an organisation's staff and the skills required for them to perform their jobs optimally.

Skills shortages: occur when the recruitment demands of employers cannot be met by the available skills elsewhere in the labour market.

Structural unemployment: unemployment that arises from long-term trends in the economy such as a decline in employment in particular industries or demand for particular skills. It is not responsive to the economic cycle and structural unemployment will not necessarily fall when an economy grows.

Supply-side: the characteristics of the available workforce in terms of skills, qualifications and motivation. Supply-side interventions to tackle worklessness will target the employability of those out of work.
**Transition**: the move from one state to another e.g. from unemployment to employment.

**'Triple dip' recession**: the prospect that the UK will enter a period of recession in terms of negative growth for two consecutive quarters for the third time since 2008.

**Working Neighbourhoods Pilot**: an intervention that tested new approaches to offering intensive support to help people find and remain in work in 12 deprived localities across Great Britain from April 2004.

**Work-first approach**: an approach to tackling worklessness that prioritises job search and rapid entry into work.

**Work Trials**: an intervention that allows employers to try out an unemployed person in a job for a set period.

**Youth Training Scheme (YTS)** A vocational training scheme in the late 1980s and early 1990s that paid young people a small stipend slightly above benefit levels to undertake up to two years training with a significant ‘on-the-job’ element.

**Zero hours contract**: employees who are obliged to work when asked to do so although no specific hours are set out in this contract.
References


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