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EMPLOYABILITY:

What is it and is it important?

The thesis of

Matthew Creighton

submitted for degree of Master of Literature

to the Department of Urban Studies,

University of Glasgow

2007

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Abstract

This thesis examines and reaches conclusions about the nature and significance of employability, in relation to unemployed and disadvantaged groups. It establishes that despite the importance attached to the concept there is no consensus as to its meaning; that while for individuals it necessarily impacts on their employment outcomes, there is little consensus as to its significance for the working of labour markets and that the factors which may contribute to it occupy a wide spectrum. Different definitions can be mapped on this spectrum, which covers all of the characteristics of individuals, on the supply side of the labour market; and in some cases, aspects of the demand side as well. Having looked at the history of the term and the UK policy context, five strands of thought are derived. The most significant contrast is between narrow definitions focusing on the minimum characteristics needed to be able to work ('job-ready') and wide ones which encompass all of the factors which determine job entry outcomes. The thesis proceeds by examining labour market theory and empirical studies for what they can contribute to this enquiry. In both cases it is found that neither makes any substantial use of the term. However insights available from them are applied to consideration of the merits of different meanings of employability, and of its significance. The penultimate chapter reports a survey about the uses of the term by practitioners and policy-makers in Edinburgh and Glasgow; the meanings given to it; the factors thought to be important for the employability of jobseekers; and questions related to the services which they provided. This confirms the confusion associated with the meaning of the term but also indicates that in practice aspects of the demand side have little place in common usage. It also reveals that the most commonly-cited employability problems are self-confidence/self-esteem; and motivation/attitude. This contrasts with the balance implied in the definitions in the literature. In the final chapter conclusions are drawn which favour the narrow definitions, and draw attention to the issues revealed by the survey about self-confidence and motivation. They recognise however that the term will continue to be used in a variety of ways.

EMPLOYABILITY

What is it and is it important?

Matthew Creighton, 2007

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1 INTRODUCTION

1.1 What is employability and is it important?

This thesis is about employability, what it is and how important it is. My interest in this subject derived from more general questions about unemployment and joblessness:

- what factors cause which people to be work-less for varying lengths of time? and
- what measures are effective at helping them get and sustain work?

These questions have been central to my professional work for many years in the field of local economic development, which has in addition required a focus on

- what helps reduce the total number of individuals in a city who are out of work?

Considered in combination, these questions lead to two more: firstly,

- what are the labour market effects of measures to help the unemployed?

Helping one individual into work does not necessarily reduce unemployment because of the displacement effect – there may be another person who is not in work as a result. Similarly, helping one group may disadvantage another group in the workforce. Secondly,

- what causes the disadvantages experienced in the labour market by different groups and what actions can overcome these?

These broad questions give the context of this thesis, which focuses on the place of employability in answering them. Employability is one of the factors frequently used to answer these questions. Indeed some commentators see it as having a central place (McQuaid, Green et al., 2005). Accordingly, the term employability is

encountered frequently in discussion of the causes and solutions of joblessness, both by practitioners and academics.

Paradoxically however, even a cursory examination reveals that there is no consensus about what employability is (James, 1998; Gazier, 1999; Wyllie, 1999; Johnson and Burden, 2003). If this is unclear, how can its importance be assessed? Through investigating these questions, and the use of the term employability in answering them, it is hoped that this thesis can shed some light on the related theoretical and analytical debates. It may also give some pointers to the practical steps which can improve practice in this field of helping people access work.

Despite the lack of clarity about the meaning of the term, it is clear, surely, that employability is about the capacity to work, to be employed, and to stay in work. It also must have a bearing on which individuals and groups are likely to be in work – the distribution of labour market outcomes. From this hopefully consensual, foundation, this introductory chapter looks at some of the broad questions which arise in this investigation.

1.2 Some introductory questions and comments about investigation of employability

1. Whose problem is it? Individual and aggregate levels of analysis

However it is defined, there can be no doubt that some individuals have problems of employability. Those who lose out in the competition for work and are un-employed must in general be less employable than those who succeed – if the term has any meaning it must have a bearing on who is in and out of work. Everyone working with job-seekers can recognise those clients who are clearly 'not employable' (Galloway, 2002; Effective Interventions Unit, 2003a; Bivand, Brooke et al., 2006).

They also have seen many of them work on developing the qualities wanted by employers in order to get into work, and this is seen to improve their employability. These examples seem to present prima facie evidence of an employability problem for many individuals who are not in work and to give importance to the search for the meaning and content of employability and how to get it.

However problems for individuals may not add up to an aggregate problem of employability. These observable phenomena can be seen as the competition for jobs operating the labour market's sorting process, which differentiates between the better (more productive) and the less desirable workers: there will always be some people perceived as having lower employability compared to others; if they do enter work they would displace competitors into unemployment, who then may become part of the low employability pool (Hunter and Robertson, 1969; Sutherland, 1999).

Therefore the existence of unemployed people who are less employable than others may not, on its own, be evidence that there is also a general, aggregate, problem of employability, despite the emphasis which it is given in policy. In fact it could just show that the sorting mechanisms of the labour market are working well. There would be a problem, however, if their low employability, when aggregated, causes other outcomes which are regarded as problematic – for example if it leads to unemployment being higher than it otherwise would be. This is a common theme in the policy literature (Confederation of British Industry, 1998; Commission of the European Communities, 2002; Scottish Executive, 2006).

2. Analytical, practical, policy and academic questions

From an overview of the literature three contexts for the treatment of the concept can be discerned – the practical, policy and academic. If the government seeks to increase employability in order to help individuals, reduce unemployment and economic inactivity, and reduce social exclusion – then practical questions arise

about what it is, how we measure it, and how it can be enhanced are important. They have a bearing on the equally important policy questions whether the policies work, and for whom? To examine it one will need to know how to define and measure employability; and use it analytically at that level. Reading these points across to the academic territory poses many questions, some of which are summarised below. It may be that it receives different treatment in these different contexts and has different uses or meanings

Questions to be investigated include:

- What are the component elements of employability?
- What causes low employability? What activities can improve employability?
- Are programmes to improve employability effective (in comparison with programmes dealing with other factors, e.g. vocational skills, discrimination, benefit traps, job search)?
- What are the effects in a specific labour market of improving employability?
- Is lack of employability a product of labour market function or a cause of labour market dysfunction?
- What is the relevance of employability to arguments about supply-side vs. demand side explanations of unemployment; the causes of long term unemployment and inactivity; the labour market problems for various social groups?

3. Territory of the enquiry – unemployed or in work

It is of course wrong to look only amongst the unemployed for interest in and issues relating to employability. As a concept it must clearly be applicable to people whether they are in work or not and as they move from one to the other (Confederation of British Industry, 1998; Tamkin and Hillage, 1999). As regards those in work, if an employed worker's employability declines at some point they will

cease to be employed. All the same, the territory which this thesis focuses on is that of the relation of employability to unemployment and joblessness. It also needs to be noted that the frame of reference is the United Kingdom with only occasional references to other part of the world, which, it is acknowledged, would have to be encompassed in a comprehensive survey.

4. Demand-side and supply-side arguments

Discussion about employability inevitably is situated in debates about the relative significance of supply-side and demand-side factors in determining labour market outcomes, bearing in mind that the particular mechanisms of their interaction, that is the market as an institution itself, can also have an influence. In this context the analytical question of 'what factors determine job-entry outcomes for individuals and groups?' and its practical counterpart 'what measures get people into work?' are central to this investigation. In exploring different definitions of employability, from practitioners, policy-makers and academics, it proves useful to locate these in the supply-side/demand-side debate, across a spectrum of possible causes of labour market outcomes, from basic personal characteristics through skills, both on the supply side, to the overall level of demand.

5. Narrow or broad meanings

Second, on this spectrum it is found that some meanings are quite **narrow**; others are very broad, encompassing many different factors. It will be shown that with the broad definitions, which include demand as a component element of employability, it is not clear whether, when looking at differing levels of employability at the individual level, we are seeing a cause or a symptom of labour market status: 'he is unemployed because his employability is low' vs. 'she must have low employability because she is unemployed'. A question deriving from the narrow-broad distinction

is whether it is more useful that employability is used to offer a tight and specific meaning or to describe a broad and relatively unspecific territory.

6. Practical vs. academic discourses

Third, the focus on labour market outcomes (e.g. entry into work) gives rise to the possibility that in many cases, the main interest in employability is in the process of getting people into work rather than either the answering of academic questions about labour market operation, or the dissection of the attributes of individuals. If the term is used to denote a territory of action, or a process, it may be that a rigid definition is precluded. Is it possible that a discourse which makes sense for the former need have no useful reflection in analytical discourses at either aggregate or individual level?

7. The intellectual tools needed to analyse employability

Lastly, a fourth theme concerns the tools needed to examine these questions. If the concept of employability covers all of this territory, what is the range of disciplines needed to understand employability? In this thesis the labour market is seen as an institution which the tools of economics alone are inadequate to analyse.

1.3 Methods used and structure of the thesis

To investigate these questions, the methods used were:

1. Examination of the use of the term employability in the policy and academic literature; and the content and meaning given to it.
2. Review of labour market theory for its relevance to the term and the issues associated with it
3. A review of some empirical studies on the operation of labour markets, again

for their relevance to the term and the issues associated with it

4. A survey of actual usage in specific labour markets and the issues identified as important by practitioners

The chapters correspond to these methods: THE MANY MEANINGS OF EMPLOYABILITY covers a review of uses and meanings in the literature. DEVELOPMENT OF POLICY CONTEXT covers the UK in the 20th and 21st centuries. LABOUR MARKET THEORY AND ANALYSIS and EVIDENCE FROM EMPIRICAL ANALYSES are based on reviews of relevant literature. EMPLOYABILITY IN PRACTICE reports on a survey conducted about the uses of the term by practitioners and policy-makers in Edinburgh and Glasgow.

1.4 Some initial comments

It has been surprising and revealing to me that seemingly simple questions about employability and about how labour markets work are hard to answer. The second chapter shows that in reply to the question of what employability is, there is a wide and contradictory range of meanings in use – and that the very patchy uses of the term in government policy documents reproduce this. The third chapter shows that there has been no government policy on employability, at least explicitly, until recently. The fourth chapter reveals that labour market theory is found to make no use of the term and that the distributional issues to which it relates hardly feature either. What can be said about these difficulties – the limitations of theoretical, empirical and policy work – is as important as any conclusions which can be presented about the questions themselves.

2 THE MANY MEANINGS OF EMPLOYABILITY

2.1 A concept of some significance.

Employability is said to have a central place in government and European policy. It *"underpins much of the current government's employment strategy ..."* (Tamkin and Hillage 1999). The UK government has stated that it is a *'key to a cohesive society'* (H M Treasury, 1997). Hillage and Pollard, commissioned by the Department for Education and Employment, aver that *"Employability is central to the current strategic direction of the Department ..."* (Hillage and Pollard, 1998). When in 1998, following the Luxembourg Jobs Summit in November 1997, the European Employment Strategy was drafted and approved, Employability was established as one of its four pillars, alongside Entrepreneurship, Adaptability and Equal Opportunities. This is the framework within which member states had to prepare National Action Plans on employment annually (European Commission, 2002) until amended following the Lisbon Summit in 2000.

This therefore must be a term of some significance. From its place in policy it is implicit that if we know what makes someone employable and how to make them employable, then we can resolve problems both on the supply side of the labour market (helping people into work) and the demand side (helping employers fill vacancies). Conversely if we find that jobseekers, employers, policy-makers and practitioners have mistaken or conflicting views about employability, then there may be a problem which causes unemployment to be higher than it need be (Johnson and Burden 2003).

2.2 Uncertainty and disagreement about its meaning

The question 'What is employability?' is therefore of some importance. Yet it is a remarkably unclear concept. A candid admission comes in the first paragraph of the document generally used as the key reference for the definition of employability: *"Employability is central to the strategic direction of the Department for Education and Employment. However the term is used in a variety of contexts with a range of meanings and it can lack clarity and precision as an operational concept. In early 1998 the DfEE commissioned a review of the relevant literature to come up with a definition and framework for employability"* (Hillage and Pollard 1998).

Tamkin and Hillage, reporting on the views of employability shown in their interviews with employers and policy makers, found that *"there is little consensus in either the public policy or the employer camp as to what enables people to be 'employable'"* (Tamkin and Hillage, 1999). In the words of another observer *"Employability is a complex notion interpreted in different ways by different agencies"*. (Wyllie, 1999).

Gazier traces five waves of meaning in its development from its earliest use in relation to people with disabilities (Gazier, 1999). In the context of this uncertainty, this chapter looks at the meanings and uses of the term employability in the literature. This development has been reprised by McQuaid and Lindsay who trace its path from the dichotomy (employable/unemployable) applied primarily to the question of disability; through accepting degrees of employability; to a point where it starts to embrace all the factors affecting all types of jobseekers (McQuaid and Lindsay, 2005).

2.3 The range of meanings of employability

The initial reaction of many to the question of what employability means is that it is an expression of the likelihood of the individual getting work, as expressed robustly by Andrew Smith MP, then the Minister responsible for the New Deal, to the House of Commons Select Committee on Education and Employment: *"The overriding objective of the [New Deal] programme is to increase people's employability, but, I have to say, it is a funny sort of employability that does not end up with people in jobs"* (Hansard 1997).

This view broadly equates employability with employment outcomes, or at least sees it as manifested in them. It is reflected also in the definition proposed by Hillage and Pollard which has become the standard British reference: *"In simple terms, employability is about being capable of getting and keeping fulfilling work. More comprehensively, employability is the capability to move self-sufficiently within the labour market to realise potential through sustainable employment"* (Hillage and Pollard, 1998). The measure would be whether the individual did achieve sustainable employment. However the simplicity of suggesting that the measure of employability is found in the employment outcomes for the individual is clouded as soon as they go on to unpack the concept: *"For the individual employability depends on the knowledge, skills and attitudes they possess, the way they use those assets and present them to employers and the context (e.g. personal circumstances and labour market environment) within which they work"* (Hillage and Pollard 1998).

Such an array of factors, which they summarise under the headings assets, deployment, presentation and context, is far from simple. They explain these four components as follows (all from op. cit.):

Assets:

"An individual's 'employability assets' comprise their knowledge (ie what they know), skills (what they do with what they know) and attitudes (how they do it). 'baseline assets' such as basic skills and essential personal attributes (such as reliability and integrity); 'intermediate assets' such as occupational specific skills (at all levels), generic or key skills (such as communication and problem solving) and key personal attributes (such as motivation and initiative), and 'high level assets' involving skills which help contribute to organisational performance (such as team working, self management, commercial awareness etc".

Deployment:

This includes career management skills, job search skills and a 'strategic approach' — *"being adaptable to labour market developments and realistic about labour market opportunities, including the willingness to be occupationally and locationally mobile".*

Presentation:

The presentation of CVs the qualifications individuals possess, references and testimonies, interview technique, and work experience/track record are the factors cited here.

Context:

"Finally and crucially, the ability to realise or actualise 'employability' assets depends on the individual's personal and external circumstances and the inter-relationship between the two. This includes:

***personal circumstances** — eg caring responsibilities, disabilities, and household status can all affect their ability to seek different opportunities and will vary during an individual's life cycle; while*

***external factors** such as macro-economic demand and the pattern and level of job*

openings in their labour market, be it local or national; labour market regulation and benefit rules; and employer recruitment and selection behaviour”.

This extremely broad definition amounts to almost every factor which might affect whether someone gets into work – being employable is being likely to be in work, which equates to the tendency to enter work and stay there. This outcome is clearly dependent not only on personal characteristics but also local demand, both its quantity and its character. Using this definition the employability agenda ostensibly goes beyond the entire access to work agenda to include the generation of sufficient appropriate local demand as well.

The message for policy and practice from this broad approach would appear to be to (continue to) address all of the factors which can influence whether someone is in work. In a field in which there has been a long history of discussion about the causes of unemployment, both for individuals and in aggregate, it might be expected that a concept which is credited with major influence on policy and practice should do more than say ‘do all of those things’. To use such a definition would mean to abandon the idea that employability brings something specific to the discussion of policy, unless some (unstated) prioritisation between them is implicit; or unless it refers to those bits which are pertinent to the needs of each individual and so cannot be tied down at a general level. Alternatively, if it covers everything, perhaps it means nothing.

A review of the literature shows that many people actually have more focused, but differing understandings of the concept, as is illustrated by the overview in the following paragraphs. Many obviously struggle to pin it down, and a number of the quotes given here are clearly approximations rather than specifications. This is exemplified by the following, which says that it is about getting into work, not what it is. “*Employability is about having the capability to gain initial employment,*

maintain employment and obtain new employment if required. In simple terms, employability is about being capable of getting and keeping fulfilling work". (Wikipedia). This can also be seen in second sentence of the Hillage and Pollard definition (see above), which lists the factors it 'depends on' rather than getting to the core of what employability is.

A common usage of employability which is much narrower than Hillage and Pollard's refers to individuals having a bundle of characteristics which are deemed to be those which employers, generically, desire in employees. For example: *"employers require not only specific vocational skills but also the softer and transferable employability skills"* (National Skills Task Force 2000). On a day-to-day basis the term is used in this way by many people working in the field of access to employment and when one reads references to 'employability skills' this is usually taken to cover some combination of core skills, basic skills and generic skills (Pumphrey and Slater, 2002) – see section 5.10 for more on these categories.

Another definition, based on skills and specifically focused on vocational skills, is also frequently found. This is often quite wide as well, in that it also encompasses other personal characteristics, but it is still located on the supply side. For example, here is a quotation about employability from a Scottish Executive paper entitled *Developing Skills and Employability: Training for the long-term unemployed*: *"it can be seen as the ability of an individual to find and secure paid employment in the workforce, retain/sustain employment ..., progress in employment. This will require a mix of basic work skills ... as well as word, number, IT and communication skills, and the necessary occupational skills for the individual's area of employment"* (Scottish Executive 1999). This encompasses vocational and generic skills but does not venture beyond them into the individual's circumstances or demand in the labour market. The Chancellor, Gordon Brown, also has used a definition which emphasised skills: *"Employability – ensuring people have the skills to get and keep*

jobs - will be the key focus of a special G8 conference to be hosted by Chancellor Gordon Brown next year" (HM Treasury, 1997a).

As stated earlier, the European Union placed employability as one of the four pillars of the European Employment Strategy. The meaning of employability found in European Commission documents is also clearly focused on skills and training, as is shown in these two quotations: *"This [employability] refers to the skills of jobseekers. Training, further training, retraining and good careers advice are the means by which governments can ensure that jobseekers have the skills and expertise that are needed in the labour market"* (European Commission, 2000).

"The first of the four pillars focuses on employability and on tackling the skills gap. Whilst skill development and lifelong learning remain a key objective for the whole workforce, there is a particular emphasis in this part of the Guidelines on ensuring that young people and the unemployed (particularly the long-term unemployed) are equipped to take advantage of new employment opportunities in the fast-changing labour market." (European Commission, 2002)

The definition of the Confederation of British Industry (CBI) has an additional emphasis: *'The possession by an individual of the qualities and competences required to meet the changing needs of employers and customers and thereby help to realise his or her aspirations in work'* (CBI 1998). This refers again to individuals having a bundle of characteristics and skills which are deemed to be those which employers, generically, desire in employees, without specifying the range of these characteristics. Being concerned with the characteristics of individuals, this is on the supply-side - the demand side of the labour market is mentioned here but as the reference point against which the qualities and competences of the individual are to be measured, whereas it is these characteristics which are the components of the individual's employability. This definition includes the observations that demand is

always changing and therefore implies that adaptability or flexibility is one of these characteristics. In an increasingly dynamic and fast-changing economy, the CBI is saying there is more onus on people to be adaptable and these supply-side factors are increasingly important in the competitive environment of the globalised world economy.

There is an important implication of supply-side definitions that being employable does not necessarily mean being employed. *"It is possible to be employable but not be in employment"* (Brown, Hesketh et al., 2002). This is because they exclude from the concept the state of the labour market and 'personal circumstances' and some also exclude the deployment and presentation elements of the Hillage and Pollard broad definition (e.g. whether the individual is doing effective jobsearch). So one can be employable but not employed because of, for example, barriers like discriminatory attitudes, having caring responsibilities or because of high unemployment. (Logically it would seem that this is not possible for those using the broad definition although it would be interesting to test this in discussion with some of its proponents).

In this overview of the range of meanings, attention should be given to some attempts to clarify the meaning of employability in a practical context, for example for recovering addicts. These often refer to movement towards employability and then into work – and the process of helping an individual do this. Here it is part of a pathway, a stage on the way to and a pre-condition of getting work, operationalising the idea that it is possible to be employable but not in work. It is necessary but not sufficient – the other parts of the process of getting into work will include jobsearch, overcoming barriers created by personal circumstances (e.g. childcare, discrimination) job-matching, etc.

Two examples are the New Future Fund Employability Framework, (Scottish

Enterprise, 2003a) and the report by the Scottish Executive's Effective Interventions Unit, in which the definition arrived at is *"It describes the combination of factors and processes that enable people to progress towards or get into employment and to move on in the workplace. This will generally include some development of skills and capacities relevant to the labour market. From our review of the evidence and recent reports, we have developed the following working definition: "Employability entails achieving a match between the abilities, attitudes and capabilities of an individual, the needs, expectations and attitudes of employers and the demands of current local labour market conditions"* (Effective Interventions Unit, 2003b).

It should be noted that there have been many attempts to assess individuals' employability. As in the New Futures Fund (Scottish Enterprise, 2003b), these may be tools for mapping out barriers to work and ways of overcoming them (Employment Service, 2001). They may also include methods for recording progress made or distance travelled. Given the number and severity of factors which obstruct some people's access to employment, and the length of time which can be taken to overcome them, if at all, it has become common to try to measure the 'distance travelled' along the path to work. These often feature the personal characteristics and employability skills which the narrow definitions cover (Rickter Company, 2002).

The body of work done on evaluation of employment programmes also holds a number of attempts to measure or analyse employability. In some cases these are straightforward substitutions of an existing item of data like qualifications as a proxy for employability (Bonjour,,Knight et al., 2002).

Generally speaking these offer a rich vein for investigation of the actual problems faced by jobseekers but do not add to the understanding or definition of the term employability. One exception may be the evaluation of the stepUP programme which introduces the distinction between objective and subjective employability, based on

Hillage and Pollard (Bivand, Brooke et al., 2006). Objective employability is said to cover factors which appear on a c.v. and equate to 'assets' – these are capable of external validation. Subjective employability factors are derived from 'deployment' – the extent to which the individual wants to work, the extent to which they put up barriers. It includes the reservation wage as well as attitudinal factors and is described as being reflected in the cover letter sent with c.v. or personal statement on application form. It also is said to include factors which expose the individual to employment discrimination like ethnicity and age.

Lastly we come to a view that this is "*a shopping bag term*" (James, 1998). This suggestion that it is used carelessly to carry a number of meanings or a varying content according to the circumstances implies that it is not of any analytical importance. Part of the purpose of this thesis is to come to a view on this contention.

2.4 History of the term

Having presented an overview of the meanings of employability found in the literature, and some of the tensions and contradictions, it is useful also to consider the provenance and history of the term.

Tamkin and Hillage state that the current popularity of the concept has two distinct antecedents (Tamkin and Hillage, 1999): Firstly, "*the changing nature of the employment contract between employers and employees ...*". It is suggested that as job security declined in the early 1990s, corporations started to redefine the benefits of employment with the development of 'employability' replacing those of employment security. They note, however, some doubt as to whether this has ever had much operational reality, quoting Keep 1997: "*Research indicates that employability remains a placebo deployed by management to obscure the adoption*

of a hire and fire mentality". The terms of this debate focus on what employers can and should do about the employability of their workers.

The second and arguably most significant antecedent is found in the field of public policy on employment and unemployment. Although Tamkin and Hillage refer to its appearance in literature of the 1950s, and according to Gazier it is much earlier, it appears that the widespread use of the term started around the end of the 1980s. All the same the use was patchy and it is noticeable that a seminal work on social exclusion made little use of the term (The Commission on Social Justice, 1994) and it was in the late 1990s, especially after the election of the Labour Government, that its use seems to have mushroomed. (*"Employability – ensuring people have the skills to get and keep jobs – will be the key focus of a special G8 conference to be hosted by Chancellor Gordon Brown next year"* said an HM Treasury press release on 29 May 1997 (HM Treasury, 1997a)).

Within the field of access-to-employment or welfare-to-work use of the term employability grew at a time of high unemployment and in the context of continuing debate about what to do about it (Layard, 1986; Employment Policy Institute, 1993). This debate would be interesting to re-visit, covering as it did a period in which government's attempts at supply-side solutions ranged from creating temporary work opportunities (Community Programme), skills training (TOPS date, Employment Training, Training for Work) and then with the election of the Labour Government in 1997 and the creation of the New Deal, a turn towards employability (Martin and Grubb, 2001; Webb, 2003).

Issues within these debates included the perceived failures of training and skill-based solutions, scepticism over the effectiveness of public expenditure in this area, interest in flexibility, concern about welfare costs, promotion of workfare and work first ideas, as well as demand-related arguments, and enthusiasm for intermediate

labour markets etc. Employability programmes were counterposed to or at least seen as a separate category from vocational training courses – just as the intended outcomes (jobs or qualifications) were contrasted. (see Chapter 3 for more on these issues of policy).

In this policy context the term employability has been and is used widely – in discussions of the school curriculum (Department for Education and Employment, 2001), of the qualifications of graduates (Lees, 2002), of the skills of the adult workforce; and in particular in relation to unemployment and social exclusion (James, 1998; Scottish Executive, 1999; Employment Support Unit, 2000). To many this latter is its primary application but, to judge by the results of a search of the web for reference to the term, more words may be written about employability in the Higher and Further Education sectors than anywhere else, for the purpose of advising students and their course tutors on what is required to get them well-paid secure work, over and above a degree.

Gazier provides a more comprehensive overview, drawing on European as well as Anglo-Saxon sources, and identifies seven operational forms of the term – dichotomic, socio-medical, manpower policy, flow, labour market performance, initiative and interactive (Gazier, 1999). Although the detail of the distinctions between these meanings can be hard to embrace, this work shows a number of important things: firstly that the term ‘employable’ was originally seen by reference to its opposite, ‘unemployable’ (dichotomic) and developed in the field of disability and disadvantage (Hawkins, 1979; Van den Berg and Van der Veer, 1990); secondly that the meaning has changed over time; and thirdly that most recently there has been a growing emphasis on the individual’s ability to navigate through the labour market, rather than on just a set of skills or attributes.

All of these features are located within the framework of the questions of access to

work for those who are disadvantaged in the labour market. However as noted above some commentators have extended the use of the term to looking at the employed not the unemployed; and therefore also to the needs of employers not only at the point of recruitment but during employment. This discourse inevitably merges with that of skills of the workforce, training, upskilling and progression in work.

2.5 Observations on use and significance of the term in the literature

From this reading of the literature it is suggested here that one way of analysing the range of meanings given to 'employability' is to locate them on a spectrum, which extends from personal characteristics through skills and onto labour market context. As established by Hillage and Pollard, this spectrum extends into the demand side of the labour market. It includes at the other end generic characteristics and basic skills; and in between are vocational skills and personal circumstances, deployment and presentation.

A spectrum of meanings

The range of this spectrum is shown in Table 1 below. Logically a spectrum encompassing all the factors which can determine whether someone is in work should also include circumstantial barriers like discrimination although these are rarely mentioned.

Using this spectrum a number of distinctions can be made between definitions. One is whether they are located entirely on the supply side or incorporate aspects of labour demand; or put a different way, whether they refer primarily to characteristics or to outcomes: *'whether the focus is upon the individual's characteristics and 'readiness' for work, or upon the factors influencing a person getting into a job...'* (McQuaid and Lindsay 2005). Another important distinction, even among definitions

clearly on the supply side, is whether they are broad or narrow: does employability incorporate a wide range of labour market factors or is it given a more precise meaning?

A relative term

There are other significant features identified in the literature reviewed. There are recognitions that it is a relative term: firstly it is relative to the actual state of demand for labour – both the quality of demand (what kind of jobs employers want to fill) and the quantity (everybody is more employable if there is a substantial unfilled demand). Secondly it is relative to other jobseekers or employees. *“The extent of an individual’s employability is, in effect, a statement of the relative attractiveness to employers and also a statement of the state of the local labour market”* (Evans, Nathan et al. 1999). For these reasons Brown Hesketh and Williams define employability in this way *“... employability can be defined as the relative chances of finding and maintaining different kinds of employment”* (Brown, Hesketh et al., 2002).

Since employability is relative to demand it is also relative to the character of labour demand, which varies from sector to sector. This perspective is found in the work of Sector Skills Councils, as described in *Employability – The Forward Agenda* (DFES 2005). There is often a related emphasis on the individual’s match with the actual pattern of demand in the labour market; and an emphasis on adapting to the changing needs of employers. This connects to the question of how mismatches arise in the labour market and the causes of variations in levels of employability.

A portmanteau term?

Looking beyond the range of meanings given to it, there are a number of interesting

features worth noting of the pattern of occurrence of the term in the literature. One is the use of the term without any attempt to explain the meaning given to it (Capital City Partnership 2002). Like many other writers on the subject, Jamie Peck and Nikolas Theodore do not examine the definition of the term at all. However they appear to conflate it with all supply side measures: *"We argue that employability-based approaches, which locate both the problems and the solutions in labour market policy on the supply side... are not sufficient to the task of tackling unemployment, social exclusion and economic inequality"* (Peck and Theodore 2000). This is the meaning used when it is stated that the New Deal is an employability programme and which is frequently used in discussions of social exclusion.

From experience as a practitioner it can also be added that the meanings used vary not only from person to person but anecdotally, for many individuals, from circumstance to circumstance. This was the trenchant observation of a European Commission official at a meeting in Brussels attended by the author: *"Employability is a very useful concept because it means exactly what the last person to use it meant when they used it, in the context in which it was being used"*. It seems that the ambiguity in the term may have proven useful for consensus-building in forums as diverse as the EU – it enables a range of related issues to be grouped together under one umbrella without too much consistency or rigour.

Absence from government policy documents

Given that the UK government has stated in its Employment Action Plan (HM Treasury 1997) that employability is a 'key to a cohesive society' it is interesting to see what it has to say about it. However, the very patchy reference to the term in government policies relating to the labour market is remarkable, even in those relating to the needs of the unemployed in the labour market. It is in fact just as

interesting to note where it is not used as how it is used is. For example, the objective of full employment was redefined in the government white paper 'The changing welfare state: employment opportunity for all' – the latter phrase "employment opportunity for all" being presented as "the modern definition of full employment" (HM Treasury and Department for Work and Pensions, 2001). This paper does not, however, mention employability. In Scotland, the Scottish Enterprise Network Strategy (1999) does not use the term either nor does the later A Smart Successful Scotland (Scottish Executive, 2001). The DfES paper 'Towards full employment in a modern society' does use it, however, in the section headed Skills for Employability (Department for Education and Employment, 2001).

This pattern of patchy use can be demonstrated by scanning other relevant documents. It appears that the first use of the term in the title of a government document located in this literature search is in Employability – the Forward Agenda (Department for Education and Skills, 2004). Despite its promising title this is a report of conference deliberations rather than a policy document.

Since then the Scottish Executive has produced Workforce Plus – an Employability Framework For Scotland. This says *"Employability" encompasses all the things that enable people to increase their chances of getting a job, staying in, and progressing further, in work. For each individual, there will be different reasons why they are not achieving what they would like in employment – perhaps their confidence and motivation, their skills, their health, or where they live compared to where the jobs are available. Helping people to improve their individual employability is key to our aim of moving more people into sustained work*". This is a well-considered definition which, by fixing on the things about people which improve their chances of getting work, steers clear of the excessive breadth of Hillage and Pollard. It also can be seen to be fitted to, or perhaps driven by, the objectives of policy – moving more people into sustained work. In fact it could be seen as a case where the idea of

employability is being used to encompass a territory defined by policy rather than given a precise content.

The impact of the concept

There is likewise a range of views of the impact of the 'employability revolution'. Peck and Theodore, in their paper 'Beyond Employability' which critiques the development of policy under the banner of employability, see it as promoting or paralleling a shift away from more costly measures like training to cheaper job-search, counselling and motivational programmes, with an emphasis on 'work first', as well as away from the demand side (Peck and Theodore, 2000a). Others however see that it has allowed programmes more flexibility to deliver what clients need and to be able to address a wider range of needs with intermediate measures which don't lead to immediate job entry (Effective Interventions Unit, 2001b).

An economic problem?

Most of these references to and discussions of employability concern its application to the individual and whether s/he enters work. Looking more widely at the labour market, is there an overall problem of the aggregate degree of employability of the working population? or alternatively are there just employability problems for individuals, because they have relatively low employability?

The answer 'yes' would presumably be given to the first question by the economists who were so influential in the establishment of the New Deal. There are two central themes here: that there are rigidities (employability problems) on the supply side of the labour market which mean that unemployment is higher than it needs to be because some unemployed people will not take or adapt to some of the jobs which are available - they need to be more flexible and therefore more employable - and

that unemployment can not be reduced below a certain level without increasing inflation unless the long-term unemployed become an effective supply of labour, so keeping down wage inflation through competitive pressure (Layard, 1986; Layard, 1997).

Gordon Brown echoed this thinking in his Mais Lecture on 19 October 1999, in which he listed four conditions which have to be met if the objective of high and stable levels of employment is to be delivered. These are stability (in monetary and fiscal policy, which promotes a high and sustainable demand for labour), employability (programmes to move the unemployed into work, which promotes a sustainable high labour supply), productivity and responsibility (in wage setting) (Brown, 1999). Although he claims that the 1944 White Paper addressed all these it does not mention employability. In his section on Welfare to Work he refers to the *"scarring effect on skill and employability inflicted by the deep recession of the '80s; the mismatch between skills and expectations of redundant manufacturing workers and the new jobs in service industries, and the unemployment and poverty traps in the welfare state"* which meant that there was a rise in the rate of unemployment (Brown, 1999). The New Deals, the Working Families Tax Credit and educational reforms are the measures which he brought forward to address these problems.

2.6 The main strands of meanings

As a summary of the main strands of thought about employability found in this review, and in order to present a number of options in the subsequent survey, the following five versions of the meaning of employability were drafted. Each can be traced to one or more of the meanings found in the review of the use of the term set out above. They are intended to capture the main emphasis of a particular line of thought about employability.

NARROW EMPLOYABILITY – **having the minimum characteristics which all employers**

seek – having the set of minimum core/basic/generic skills which all employers seek or need in their workers (e.g. communication, team working, literacy, numeracy, learning commitment, positive attitude)

BROAD EMPLOYABILITY – **the likelihood that you will get and keep work** – all the

factors which contribute to getting and keeping employment (including core skills, attitudes, jobsearch skills, vocational skills, personal circumstances, demand in the labour market)

ADAPTABILITY EMPLOYABILITY – **the ability to adapt to change** – the ability and

attitude to adapt and develop in order to fit the changing needs of the labour market

MATCH EMPLOYABILITY – **your match with actual opportunities** – the match between

the individual's aspirations, their abilities and characteristics, and the opportunities in the labour market

SKILLS EMPLOYABILITY – **having the skills needed** – having the skills and experience

necessary to get work in your chosen industry or occupation

The use of these five strands of thought to test the meanings of employability used by practitioners is described in Chapter 6. The questionnaire in which they were used is attached Appendix 1. In testing the questionnaire the wording was amended slightly, the most significant adjustment being to use the term 'job-ready' in relation to the Narrow definition. The Broad definition is based on that of Hillage and Pollard.

These strands are not all mutually exclusive. However it is clear that there is a fundamental incompatibility between Narrow and Broad – although both do relate to

the question of whether someone is able to get work, they refer to different conceptions. Narrow employability is clearly only one of the factors which will contribute to this outcome; a minimum degree of narrow employability is a necessary but not normally a sufficient condition of anyone getting work. One cannot use this meaning of employability interchangeably with Broad employability which encompasses the whole spectrum of factors which determine employment outcomes. The broadest of uses do encompass the narrow definition; but it can be argued that in practice broad definitions focus on a different set of qualities – for example as Table 1 indicates, Hillage and Pollard tend to neglect the basic qualities of being able to work and give greater attention to deployment and presentation of assets; as well as labour market context.

Skills employability is also logically distinct from Narrow and Broad – from the former in that it focuses on a different, if equally specific, part of the spectrum, that is vocational skills and qualifications; and from Broad in the same way that Narrow does – it does not seek to encompass all factors. Both Narrow and Skills are emphatically on the supply side of the labour market – they refer to characteristics of people; while Broad includes also factors on the demand side; as well as circumstantial factors. Another point which adds confusion is that although Broad covers a long and diverse list of factors their significance varies from group to group; occupation to occupation; and between individuals. Therefore it is impossible to say what specific factors it focuses on – from its proponents' point of view this is one of its holistic qualities, in that it responds to the actual and diverse needs of individuals.

Match Employability shares with Narrow and Skills the location on the supply side – it presents an emphasis on the match between a person's characteristics and the actual opportunities in the labour market; which is a reflection of the requirements of employers. It is therefore broader than both of these other two, but instead of

incorporating demand-side factors it explicitly sets these up as the standard against which a person's characteristics are measured. It is also possible to be employable in this sense but not employed, because circumstantial barriers might prevent this (e.g. absence of childcare for single parents)

Lastly Adaptability takes this line of thought further to take into account the constantly changing character of employers' requirements, that is of the pattern of labour demand, and adds the emphasis that employees have to constantly adapt or risk becoming insufficiently employable – one can be employable in some circumstances but the same person can become unemployed if they do not adapt.

2.7 The content – factors which affect employability

Moving from definitions and the territories which they cover to the actual content, i.e. the factors presented as contributing to employability, can help to further clarify these distinctions and their relevance to policy and practice. As a first step in unpacking the content of the term employability in practice, a number of documents which sought to break down the term into components were examined. These were the exposition by Hillage and Pollard of their definition (Hillage and Pollard, 1999), the New Futures Employability Framework, which was broadly based on this (Scottish Enterprise, 2003a), the UK Key Skills, the Jobcentre Desk Aid, a tool used by staff of the UK Employment Service, and then Jobcentre Plus, to assess employability of claimants, two publications by the Confederation of British Industry (Confederation of British Industry, 1998; Confederation of British Industry, 1999), and a literature review commissioned by the Capital City Partnership of 'what employers want' (Workforce One Ltd., 1999).

These are presented in Table 1 which shows not surprisingly that there are many overlaps; but also, as would be expected from the evidence presented above, a wide

spectrum over which different usages are distributed in different ways. Combined in one list, these factors are:

- Literacy
- Numeracy
- IT Skills
- Communication skills
- Team working
- Customer relations
- Reliability, time-keeping
- Responsible, integrity
- Flexible, adaptable, responsive
- Problem solving
- Business awareness
- Desire to learn and improve performance
- Organisational skills
- Positive attitude
- Jobsearch skills and motivation
- Interview skills, c.v. presentation
- Fit with labour market needs
- Up to date skills, qualifications
- Work record
- Career management skills
- Personal circumstances – e.g. Caring, disability/ill health
- Barriers – e.g. Discrimination, lack of facilities or childcare
- Employer attitudes

Table 1: factors identified in a range of sources relating to the content of employability

Workforce One – What Employers Want	UK Key Skills	Jobcentre Desk Aid	Hillage and Pollard	New Employability Framework	CBI 1	CBI 2
Literacy		literacy match to job goals	assets: basic skills			literacy
Numeracy	Application of number	numeracy match to job goals	assets: basic skills	assets: numeracy		numeracy
IT Skills	Information Technology		assets: basic skills	assets: IT		IT
Communication	Communication		asset: interpersonal skills	assets: communication		communication
Team working	Working with others			assets: occupational		
Customer relations			asset: team working	working with others		working with others
Reliable, responsible, integrity						customer service, languages
				reliability timekeeping e.g.		
		participation/attendance at i/v				
Flexible, adaptable,			deployment: adaptability	adaptability	adaptability	improve, take advantage of change

		resources for job search				
		barriers	context: caring, barriers, benefit disability/health, presentation: i/v skills, cv, references;	personal circumstances/situation, e.g. housing, health cv presentation		
			presentation: work record	track record work placement /experience		
				references		
				interview technique		
				appearance		

2.8 Relation of employability programmes to debate about meanings

The factors above are taken mainly from documents which seek to list what affects an individual's chances of being in work. In some cases they were written to guide what can be done to help people into work. In others, they are actual tools used in that process. It can be seen that there is, not surprisingly, a direct connection between the analysis of employability and the design of employability programmes, and indeed all programmes to help people into work. (The distinction being drawn here is whether for the programme achieving employability is seen as a step on the path to work (narrow definition) or the whole territory (broad definition)).

Within the literature about these programmes, a number of typologies can be found (Cambridge Policy Consultants, 1996; Chitty and Elam, 2000; Gray, 2000a). These normally are built around analyses of the processes (e.g. skills training, work experience, job matching) rather than the barriers or factors listed above. However in terms of labour market analysis they cover the same territory. It would be possible to link the typologies of processes with the factors and barriers they seek to address.

In fact, this kind of thought process is logically necessary and is a regular, if informal and rarely analysed, aspect of professional practice in this field. If done conscientiously it draws lessons from the 'What Works?' literature (Cambridge Policy Consultants, 1996; Crighton, 1998b; Department for Transport Local Government and the Regions, 2001). However it is also always constrained and conditioned by the policy and funding context. A classic example of this was the design of the New Deal for Young People. At a local level, an example is Deal Me In, a programme designed by the City of Edinburgh Council and part-funded by the New Deal (McIntyre and Galloway, 2000).

There exists, therefore, a large amount of this material, generated by individuals and agencies engaged in helping people into work, which bears on the questions of

the content of employability, the relative importance of its different elements, and the methods for addressing them. The evaluation literature in this field also offers empirical assessments of varying quality and relevance. The management of programmes by funders and by provider organisations provide a potentially fascinating source of insights, since they test in practice, under a variety of commercial regimes, the questions about what factors help people into work, although compounded with the question of what methods of addressing them work, as well.

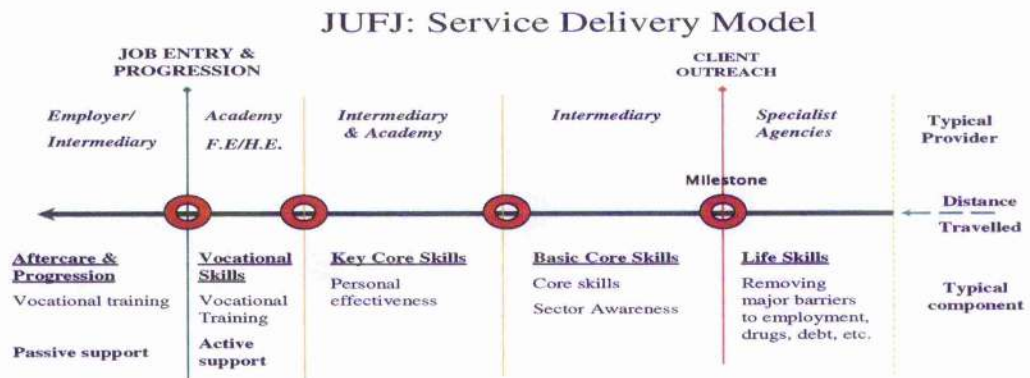
There has not been opportunity for a comprehensive scan of these sources for this thesis. However, it is probably true to say that few offer unequivocally reliable evidence because of inadequacy in terms of methodology; and the complex interactions between multiple factors, programme design and delivery. If so, their usefulness will be greatest in assessing the relative importance of various factors for different groups, places and times. To attempt to use these sources for these purposes would be a useful piece of work but is not attempted here. (That said, the findings reported below include substantial differences in perceptions between practitioners and academic literature of elements of employability – in particular the lack of attention in the literature to some core personal qualities like self-esteem and motivation).

For the current purposes, it is of interest that a number of attempts have been made to map the pattern of programmes (in a locality) on a grid or model which covers the same territory as the spectrum of supply-side and demand-side factors described above. An example from Edinburgh is presented below (Fig 1). Consciously or unconsciously, they follow the pattern presented by Hillage and Pollard.

Although of some practical value, in particular for mapping where there is duplication or an inadequate level of provision, and assigning functions to various providers, they are inadequate as functional models, primarily because a two-

dimensional grid cannot capture the necessary complexity; and because they impose an implication of linearity in the route to work; whereas for many individuals the reality is more complex.

Fig 1: Joined Up For Jobs Service Delivery Model



If such a model were to incorporate the insights that, for example, some people with good qualifications lack 'employability skills'; and that for others the acquisition of those skills may be best done through the experience of skills training or work placement; and that for many the route to work is iterative not linear; then the model might be better turned on its side.

For the study of employability points which can be taken from this practical work are about the complexity of the interactions between the factors which are included within employability; issues about the degree of distance for work, or of employability, the time needed to address these problems and also the processes.

2.9 Chapter 2 Conclusions

This review, based on a wide-ranging literature search, has shown that there is no consensus or clarity about definitions content of the term employability. It reveals that the degree of confusion has increased as use of the term increased, which

took place in the context of the mass unemployment experienced in the 1980s and 1990s. From the review five definitions, representing different strands of thought, have been isolated. If all the factors which contribute to someone being in work are seen a list or spectrum then they cover different ranges of this spectrum, although in some cases they overlap. The chapter has therefore presented the predicament which this thesis seeks to address – that despite being a widely-used term, employability is also a very confused or contested one.

3 DEVELOPMENT OF POLICY CONTEXT

3.1 Introduction

Despite the assertion that employability has a central place in policy, there appears to have been no policy on employability per se in the UK until the publication of the Scottish Executive's Employability Framework (Scottish Executive, 2006). Despite it being regarded as a policy buzzword (Phillpott, 1999) or mantra (Peck and Theodore 2000), or 'central to government policy' (Hillage and Pollard 1998), there are still no policy documents from the UK government which deal centrally with employability or include it in their title. The European Commission did place it high on the agenda of the European Employment Strategy when it was named as one of the Four Pillars of this strategy; but in practice this was by and large equated with skills issues.

All the same, many of the issues related to employability run through the development of policy on unemployment, which has a long history; and on social inclusion, which is of more recent vintage. The two are combined in the Welfare to Work agenda which has generated a wealth of empirical information relevant to employability. The purpose of this chapter is to review this history in order to situate the development and use of the concept within it. Employability issues may also be seen to a lesser degree in the workforce development and skills policy areas.

3.2 Policy on unemployment

Unemployment has been a major subject for analysis and debate since the emergence of wage-labour and in particular since it became apparent that it was a feature of periodic economic depressions (Hill, 1974). Early economists including Petty, Smith, Ricardo and Marx observed and sought to explain fluctuations in the

numbers employed and unemployed, in particular industries, occupations or areas (Freedman, 1961). Even outwith generalised depressions it was observed that technological change and conditions in particular commodity markets frequently gave rise to a surplus of labour over jobs available.

Debate ranged over the questions of whether to do anything about unemployment or the unemployed; what to do, and how to relieve the consequences. A central question has been whether and how the community should support those who cannot get work. Responses included the Poor Law and workhouse, benevolent public works and charitable relief (Whiteside, 1991). A common theme in these debates was an attempt to distinguish between the deserving and undeserving poor, which distinction hinged on analysis of the causes of their unemployment – the unemployed as victims of larger forces; or responsible for their own fate – and of the obligations of the unemployed and of society. The wider question of how to prevent unemployment was linked by some to the obligations of the individual – to sell their labour at the market rate or starve. For others there was a role for the state and social solidarity, even if in early years at the level of the parish, linked to wider obligations than the market could fulfil (Whiteside 1991).

Since in the absence of social protection or unemployment insurance, unemployment can lead to destitution, this has always been a central concern within movements for social reform and in particular the labour movement. The craft guilds had long sought to regulate labour supply (alongside wages) and the rise of trade unionism saw, alongside their concern with wage negotiation, pursuit of partial trade-based responses to the threat of unemployment (characteristic of craft trade unions) alongside a search for generalised, socialised and political solutions. In 20th century UK, pressure grew from the trade unions and socialist parties for protection from unemployment and the destitution it threatened, alongside industrial struggles over wages; set in the context of two world wars. Factors which required government attention to the problem included also the actuality and threat of social unrest, the programmes of social reformers and the

inability of unregulated market forces to maintain the quality if not the quantity of labour supply – that is, workers health and skills were not sufficient for the requirements of their employers, as was realised at the time of conscription in the First World War (Cox and Golden 1977).

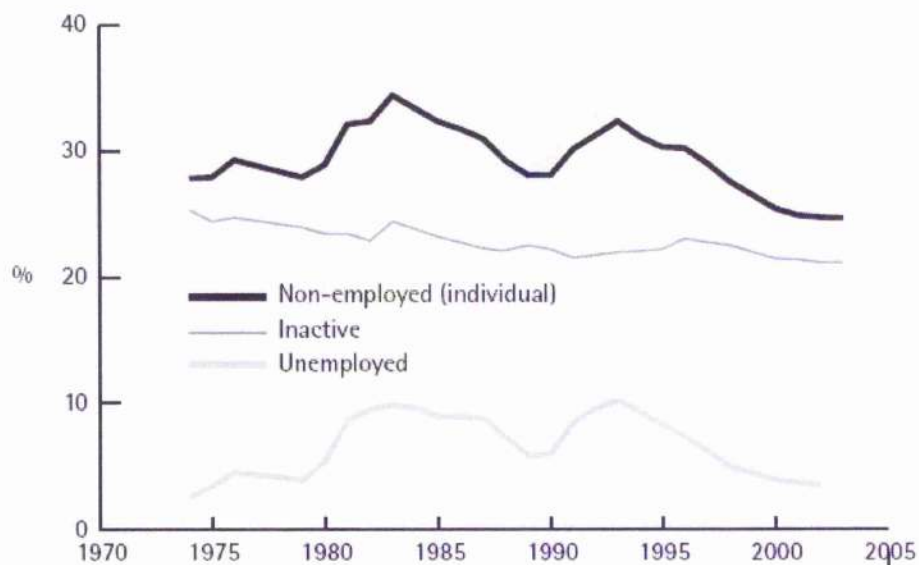
Debates have continued around the theme of the deserving and undeserving poor, now within the context of a welfare state which guarantees a minimum replacement wage and also support for those deemed unable to work. Recent decades have also seen attention being paid to the distinction between the employable and the 'unemployable'. It is in this context that the concept of employability has emerged and has recently been given such importance, alongside New Labour's concern for rights and responsibilities.

3.3 Scope and context of this thesis: UK in the 20th and 21st century

This study is situated in UK context, and although the relevant history covers the 20th century, in particular the period since the Second World War, the context in which the use of the term employability has become significant is approximately the last thirty years. Over that period, from 1974 to 2003 data from the General Household Survey shows that unemployment has risen from 3% to two peaks at 10% and fallen back to 4% (Berthoud, 2007). In contrast the economically inactive population was more stable, between 25% at the start and 22% in 2003, and has in fact been fairly stable since 1990.

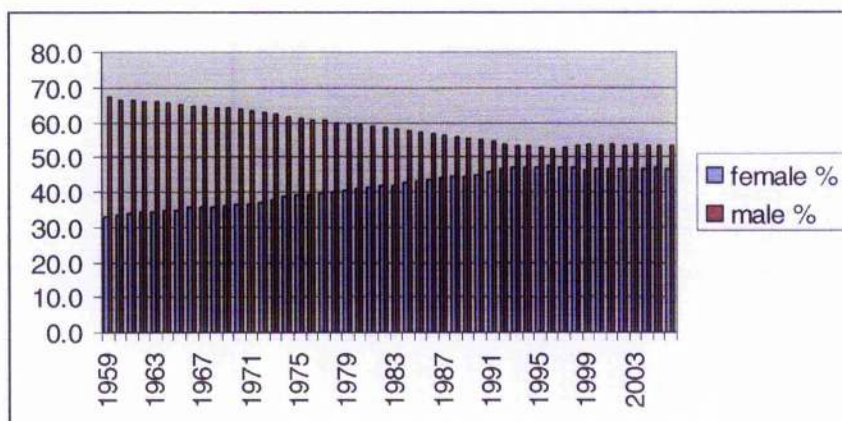
In that period there has been significant change in the distribution of employment between the major industrial sectors. Over the period 1978 to 2006, the percentage of total UK employment in manufacturing fell from 26.5% to 10.5%; while service employment rose from 61.5% to 80.6% (source: nomis).

Fig 2: Unemployment, inactivity and non-employment rates among individuals, 1974 to 2003 (from Berthoud, 2007)



There were also substantial shifts in the share of employment taken by men and women. From 1959 to 1993 there was a steady rise in the proportion of women working, from 33% to 47%, since when that proportion has remained stable (see Fig 3).

Fig 3: The male and female proportion of the UK workforce, 1959 – 2006 (source: nomis)



3.4 Great Depression and Full Employment

The high levels of unemployment experienced in the inter-war years stimulated contention and debate about how to reduce them. The first foundation was Lloyd George's contributions-based National Insurance scheme. However this was insufficient to deal with mass unemployment and in the political arena this discontent was aggravated by the inadequacy of the piecemeal institutions of social protection and the associated indignities and injustices of means-testing (Cox and Golden, 1977; Whiteside, 1991).

In the academic arenas these tensions can be seen reflected in Keynes' disagreement with the Treasury orthodoxy of the day, which held to the view that only by driving down wages would unemployment fall. Taking a macroeconomic view Keynes showed that this was the opposite of the truth – unemployment levels were determined by aggregate demand. *"It is a mistake to imagine that full employment is part of the natural order of things. On the contrary it is only one of a number of possible situations. It is, in fact, a special case. The level of employment in a particular country at a particular time depends on the level of output in that country, and this in turn depends on the amount of goods and services that individuals and institutions in that country purchase. ... The level of employment will therefore depend on the level of consumption and the level of investment"* (Stewart, 1967). P.103

The political demand of the labour movement was for full employment and Keynes offered a way to achieve this which placed emphasis on demand management by government. The fruition of this line of thought came only during and after the Second World War, with the implementation of the approach advocated in the 1942 Beveridge report by the Labour government elected after the war. (Beveridge, 1942); Whiteside 1991; Department of Trade and Industry 2002).

The overall pattern of the welfare state which was forged after the Second World

War included a scheme of National Insurance, that is, compulsory contributory unemployment insurance. This had to be supplemented by some source of income for those without any, or sufficient, income from unemployment benefit – Supplementary Benefit; and the State Pension. These were part of the creation of a welfare state based on universal entitlement to benefits and services: State Pension, National Health Service; universal education; contributory national insurance; and some elements of means-testing (Scottish Poverty Information Unit, 1998; HM Treasury and Department for Work and Pensions, 2001).

3.5 Post-WW2 boom and its end in the 1970s

In the decades following the Second World War Britain experienced low overall unemployment, but regional problems persisted in regions in the north of England, Scotland and Wales with concentrations of heavy industry and coalmining (Hawkins, 1979). These gave rise to the government's regional policy – a mix of public infrastructure investment and employment subsidies to employers (Campbell and Duffy, 1992). Slum clearance, public housing programmes and new towns saw investment directed to greenfield sites. Partly as a result, in the 1970s an 'urban problem' was identified in the 'inner cities'. In the early 1970s also the unemployment rate started to rise.

Although there was extensive debate about cause and cure at the time, the root of the problem was shown convincingly to lie in deficits in and changes in the pattern of investment in both industry and housing (at national and local levels) (The National Community Development Project, 1974). Policies mainly focused on state measures to stimulate or direct demand geographically – regional subsidies to private investment; nationalised industries; infrastructure investment (Whiteside 2000). It is important to note that in both of these periods the issues to be dealt with were seen to be on the demand side of the labour market, specifically as problems of geographically un-balanced demand.

Writing in 1979 one commentator observed that *"Within a few years labour market policy in Britain has been transformed. Up to 1973 the dominant philosophy was still one of benign neglect. ... While this approach could be justified in a market environment characterised by net excess demand for labour, it has become increasingly inappropriate in a period of relatively high and rising unemployment"* (Hawkins, 1979). It was recognised that some of the problems which needed to be addressed were not just high unemployment but structural unemployment arising from changes in the pattern of production; and we start to find the idea that in these circumstances some people may be 'unemployable': people who *"could perform the heavy simple jobs needing much strength but little skill, that were once plentiful"* (Hawkins, 1979). The impact of these trends on different groups was also recognised: *"If, therefore, a hard core of 'unemployables' does exist, it is likely to be found in inner city areas and to be composed largely of old unskilled whites and young unskilled blacks"* (Hawkins, 1979).

3.6 Later 20th Century

From 1975 onwards, when it reached 4.8%, there was a progressive growth of mass unemployment under Labour then Conservative governments -- the unexpected stagflation (combination of high inflation and low economic growth) and the perceived failure of demand management challenged what had by then become the orthodox Keynesian solutions (Meade, 1995). As always, what was happening in the UK was a combination of international and national economic developments and the specific national factors. Within a world economy characterised by high inflation and rising unemployment, and in which post-colonial Britain faced challenges to its place in the world arising from the outcome of the Second World War, Britain was starting to experience a massive industrial change arising domestically from the low levels of investment in manufacturing. On top of this, the Conservative governments were willing to use unemployment and deindustrialisation as an instrument of policy in order to significantly shift the balance of power away from the labour movement and to attack inflation.

Both in light of the apparently intractable problems of economic policy, and the need to provide an ideological underpinning to the policy directions of the governments of the time, there was a parallel shift towards supply side explanations and prescriptions in the labour market, specifically in relation to unemployment and the unemployed (Gardiner, 1997). As unemployment rose during the 1970s the first of a series of government responses was introduced – the Training Opportunities Programme (1972), Job Creation Programme (1975, renamed Special Temporary Employment Programme) and Youth Opportunities Programme (1977). In this period also the Manpower Services Commission was created (1974). These were initially regarded as temporary and often targeted on young workers. Government measures specifically for the long-term unemployed start to be implemented after the onset of mass unemployment – TOPS, Community Programme; YOPS became the Youth Training Scheme (YTS); Employment Training; Training for Work (Whiteside, 2000; Webb, 2003). Side by side there came a series of radical changes to the management of labour market policy with the creation of the Manpower Services Commission, created originally along the tripartite lines which were characteristic of the post-war political consensus.

For the subject of this thesis, significantly there were increasing references to employability of the unemployed alongside worries about the social and personal effects of mass long-term unemployment.

3.7 Labour market deregulation under the Conservatives

The consensus about labour market policy was gradually abandoned by the Conservative governments led by Margaret Thatcher starting in 1979. The MSC was re-organised along employer-led lines characteristic of the Conservative governments. It was eventually wound up and replaced by local Training and Enterprise Companies (TECs), or Local Enterprise Companies (LECs) in Scotland

(Benn C and Fairley, 1986).

A further characteristic of government policy was 'de-regulation' of the labour market – e.g. abolition of the Wages Councils and the Fair Wages Act; privatisation and marketisation of government services (Dex and McCulloch, 1997; Casey, et al., 1999). In the field of out-of-work benefits the term de-regulation is inappropriate. The Conservatives brought in radical changes with the creation of the Jobseekers Allowance (JSA) in 1996 (Manning 2005). This re-regulated unemployed workers by increasing the obligations on them and introducing a series of severe benefit sanctions if they were judged not to be fulfilling them. In doing so they pursued their intentions to drive down both wages (through increasing competition for jobs) and the entitlements of the unemployed, ostensibly to help increase employment levels (reverting to pre-Keynesian prescriptions, now described as Monetarism) and to reduce inflationary pressures. We can see here a continuation of the earlier tendency to blame the unemployed and their existing rights (and those of the employed) for unemployment.

A further objective for the labour market which these reforms were meant to serve was flexibility (Callaghan, 1997; Whiteside, 2000). It was argued that rigidities in the labour market were restricting employment creation and growth; and that a key to improving the UK's competition in the world was to increase labour market flexibility. What exactly this means is open to debate as expressed cogently by Robert Reich: *"I do not know what 'flexibility' is. Rarely in international discourse has a word gone so directly from obscurity to meaninglessness without any intervening period of coherence"*. Robert Reich at ILO, 10 June 1994 (comments which some might apply to employability).

Flexibility does, all the same, form one of the core elements of the contemporary neo-liberal prescription – rooted in the concept of 'globalisation' as an inevitable and unchallengeable force in which economic forces transcend national boundaries and open up all enterprises, economies and labour forces to international

competition (OECD, 1998). The corollary in policy terms is to open doors to global competition yet further through processes of liberalisation, privatisation and de-regulation – notwithstanding that many of the features of globalisation are in part a consequence of the imposition of these prescriptions by multilateral institutions like the IMF and the World Bank. Globalisation is in part an instrument of policy which drives them, not only a description of the actual growth of world trade.

Debate continues about the impacts, and the costs or benefits, of these policies (Blanchflower and Freeman, 1993; Trades Union Congress, 1995). For example the case is made that the lesser employment rights of British workers have been a factor promoting the deindustrialisation of the country, because it relatively easy to shut manufacturing plants under UK legislation, compared to elsewhere in Europe. Equally it is said that the comparatively good employment trends in the UK since the mid 1990s have depended in part of on the greater labour market flexibility which was a result.

A parallel development, no doubt at least partly driven by these policies, was the growth of wage and income inequality, reversing the trends of the previous decades (Wilkinson, 2006). A related factor is reduced social mobility – being poor in one's teens makes it more likely you'll be poor in your 30s, and this effect doubled when comparing those who were teenagers in the 1970s and in the 1980s (Blanden and Gibbons, 2006). These are factors which may in themselves have an impact on the outcomes in the labour market, through processes by which social exclusion generate joblessness, aspirations are restricted and social attitudes transmit messages about worth and hence self-esteem. However this is a topic on which no research could be found. Specifically whether inequality could be a factor influencing the levels of outcomes from government employment programmes, does not seem to have been studied.

Whatever the assessment of the outcomes of these policies it is uncontroversial to say that they were acting on the supply-side in terms of the labour market. It was

in this context that the growth of the use of the concept of employability occurred.

3.8 What Works? debates

One feature of the increased concern with unemployment, in the industrialised world as well as Britain, was an interest in what worked at helping people get work. In part this was also a reaction to the diversity of approaches noticeable in government policies; which have included measures on the demand side as well as the supply side of the labour market. The former include temporary employment measures and employer subsidies. The latter covered measures such as jobsearch, guidance and counselling, work experience and the various versions of the intermediate labour market (McGregor Alan,,Ferguson Z. et al., 1997), as well as vocational training (Gardiner, 1997; Martin and Grubb, 2001).

The character of the earlier of these programmes reveals the inherited assumptions about what was needed in the face of high unemployment – primarily vocational training, as evidenced by TOPS and YTS. In addition, the Community Programme offered temporary employment, with the ostensible purpose of both offering unemployed workers an opportunity to earn a wage and to keep them in the habits of work. Although this approach was abandoned by the government, the emphasis on vocational training continued, however, for example with the introduction of Employment Training (ET). The creation of work opportunities for the unemployed through ILM programmes was however pursued in the UK by a number of independent providers and some local authorities (Campbell, 1993) and was a major feature of policies in a number of European countries – see the 'secondary labour market' in Germany (OECD, 1999).

Two notable attempts to assess the effectiveness of these various measures, which became known as Active Labour Market Measures (Meager), were the ERGO programme, funded by the European Commission (Cambridge Policy Consultants 1996); and those of the OECD (Martin and Grubb, 2001). Although these efforts

were hampered by the lack of reliable evaluation evidence, they established the range of issues to be considered in the attempt. Methodologically these included the identification of deadweight and substitution effects; and some attempts to measure costs per outcome (Cambridge Policy Consultants, 1996). Analytically they presented the array of processes and factors which may be deployed on employment programmes.

As regards the question of employability it should be noted that this was not a term used in this context, or at least did not feature with any explanatory value, as can be seen from a review of evidence at the time (Crighton, 1998a).

The strong opposition to the policies pursued by the succession of Conservative governments from 1979 to 1997 was given a particular focus in the labour movement around debate on what should be the programme of the opposition Labour Party. The course of action eventually adopted by this party as it went into the election in which it did eventually take power, in 1997, was strongly influenced by the work of Richard Layard and other economists working in the neo-classical framework which held that there was a natural rate of unemployment for a national economy, at any one time (the non-accelerating inflation rate of unemployment or 'NAIRU'). This led to consideration of what can be done for the unemployed, and to reduce unemployment, within a given NAIRU; and what can be done to change the NAIRU; and in particular what effect can measures for the unemployed have on it (Layard 1986; Layard 1997). A major emphasis here was on activation of the unemployed through jobsearch, specifically through Restart (see section below on supply-side arguments).

3.9 New Labour and Welfare-to-Work - continuity

The Labour government elected in 1997 was notable for abandoning many of the positions held by that party while in opposition, as was deliberately implied by its branding as New Labour. In this field, there was considerable continuity with

Conservatives' underlying philosophy: a supply-side emphasis on labour flexibility; coercion of jobseekers through conditionality of benefits; maintaining low levels of state benefits. While these characteristics are well-documented (Peck 1999; Whiteside 2000) a clear demonstration of this was that government's unwillingness to reverse any of the elements of the Jobseekers Allowance and the regime of obligations and sanctions introduced with it (and in parallel a refusal to change any of the basic element of Conservative legislation on trade unions).

Further, much to the dismay of many of its supporters, this government also appeared to agree with the Conservatives on the perceived need to reform the welfare state because it was "unaffordable" (Millar, Webb et al., 1997); Scottish Poverty Information Unit 1998; (Finn, 2000). This was accompanied by a move from Labour's traditional policy principles of re-distribution and universalism to growing means-testing, under the guise of the term 'targeting'. In parallel politicians and academics were taking note of the steady growth of Incapacity Benefit claims, even though unemployment was falling (Department of Social Security, 1998; Gregg and Wadsworth, 1998; Wyllie, 1999).

3.10 New Labour and Welfare-to-Work – change

Despite this continuity in thinking on the issues concerning the labour market, in practice (i.e. on delivery) New Labour was radically different from its Conservative predecessors. For all that it was virtually silent on its traditional emphasis on redistribution, and its ambitions as regard poverty were deliberately limited, Labour government policy gave great importance to tackling social exclusion and conversely to policies for social inclusion. The scale of funding for the New Deal, introduced for young people in 1998, was substantial, derived from the only tax increase of this government, a windfall tax on the profits of privatised utilities (Hasluck, 2000). Another feature was the emphasis on 'work first' (see below) – for example in the increased requirements placed on jobseekers through the obligation to take part in the New Deal when reaching eligibility; the design of the

New Deal; and the sanctions of loss of benefit if they do not (Peck and Theodore, 2000b).

Since then this approach has been extended with the introduction of a number of other New Deals (Department for Work and Pensions, 2004). They have been accompanied by a series of radical policies having the objective of 'making work pay' – that is, removing the 'traps' created by the benefit system whereby many claimants could be worse off when leaving benefits to enter work (HM Treasury, 1999; HM Treasury and Department for Work and Pensions, 2001). These include the introduction of the National Minimum Wage, alongside the maintenance of low benefit levels; even cuts to some; and the introduction of Tax Credits.

3.11 Welfare Reform: 'Work for those who can; security for those who cannot'

Many commentators have traced the influence on New Labour of thinking and practice from the USA, where a 'work first' agenda was being pursued (Evans, 2001). However this source of influence in fact was only one influence on the philosophy and approach of these New Labour governments. They have been developed through a reform process which has seen a series of Green Papers and consultations; and are documented under the overall title of Welfare to Work. In using this phrase, and indeed the term welfare, care must be taken to appreciate its national specificity since in the USA it refers to a smaller group of claimants than in the UK, and most often to lone parents (Evans 2001). Although the terms welfare to work and work-first originated in the USA, the meaning and content given to them by New Labour are distinctive.

This reformulation of this part of the welfare state was summarised in a phrase which sought to define New Labour's approach: *"Work for those who can; security for those who cannot"* (Department of Social Security, 1998). This can be interpreted in a number of ways but in practice it was expressed in a 'work first'

emphasis, for example in increased conditionality attached to benefit receipt and in the design of the New Deal – the famous ‘no fifth option’ meaning that no New Dealer could opt out of the its four options and continue to receive benefit. The intention of the phrase is in part to contrast with approaches with greater emphasis on skills training, qualifications as outcomes, or which took a long time to get people into work, created temporary work opportunities (for example intermediate labour markets) or just emphasised purposeful activity.

A further milestone in the definition of this approach was the revision by Gordon Brown of full employment to mean ‘employment opportunity for all’ (HM Treasury and Department for Work and Pensions, 2001). This was clearly a significant move away from concern with outcomes (that is, everyone who wants a job can have one; whether there are enough jobs for everyone looking for work to be employed) to the more nebulous idea of opportunities to work. In the context in which the nature of the work available was changing rapidly, IB claims were rising, and there were concerns about the employability of jobseekers, the political expediency of this step can be understood if not applauded.

By offering ‘security’ only to those who could not work, and ignoring the poverty to which benefit levels restricted claimants, at a time of still fairly high unemployment, this was seen by critics as underpinning a desire to reduce the costs of the welfare state through increasing pressure on claimants. However as unemployment has fallen and the state’s fiscal balances have improved there has been less emphasis on cost-saving and more on work as the best way out of poverty and employability as the means to this.

Increasingly, therefore, the policy territory has been defined as Welfare to Work. And within this the idea of employability has had growing importance, although it has rarely itself been defined, appearing to refer instead to an approach to helping people into work, and to the related policy territory.

3.12 Distinguishing features of New Labour's programmes

As stated above, and as recognised internationally, the current British approach to welfare to work and labour market issues is distinctive. Important elements of the measures to help the unemployed get work, characterised as 'employability programmes' (Effective Interventions Unit, 2002), are well illustrated by the design of the New Deal for Young People (NDYP). This starts with the Gateway, where the jobseeker receives help, assessment and advice from a Personal Adviser. From this a Personal Action Plan is prepared, which if necessary involves addressing identified barriers which might prevent him/her getting work or even benefiting from the further opportunities within the New Deal. These are organised as four options, each of which is a full-time activity: employer placement; voluntary sector, environmental taskforce, training. As noted above the other, more controversial element was the mandatory character of this New Deal - there was no 'fifth option' of non-participation while remaining on JSA after the individual reached six months unemployed. This was a significant step away from the emphasis on voluntary participation found in good practice guides at the time (Cambridge Policy Consultants, 1996; Crighton, 1998a).

Other New Deals have been introduced for other groups - for those over 25; those over 50; Lone Parents; and Disabled People (the latter three are not mandatory). Each of these offers a different menu, but retain the emphasis on the personal adviser and the action plan. Without the four options of NDYP they are closer to the idea encompassed in the term 'work first', that is they seek to get the jobseeker into work, rather than give them additional vocational skills or address issues like literacy and numeracy if they can get work without them. It is anticipated in this approach that they will be able to address these, if necessary, once in work and in the process of progressing from the initial 'entry-level' job. There is as a consequence an emphasis on generic skills (communication, ability to work with others etc.) without which they will not get a job.

There is therefore considerable contrast with earlier approaches, which featured vocational skills training, normally in the form of a programme with a fixed timetable delivered to a group of participants (i.e. similar to the way that a college course would be delivered). Notable features are the intention to respond to the needs of the individual, to offer them only what they need, rather than a pre-prescribed course; delivered through individualised one-to-one case work; and to focus on job-entry as the desired outcome (rather than qualifications or simply finishing the programmes) with the accompanying attention to the core qualities which all employers are deemed to want. These have been called 'employability skills' (Wyllie, 1999; National Skills Task Force, 2000; Department for Education and Skills, 2004) or 'skills for employability' (Department for Education and Employment, 2001).

Another distinctive feature has been the delivery model, which often uses organisations contracted to the Employment Service (later to become part of Jobcentre Plus) rather than civil servants or colleges. Provision through these organisations, known as 'employment intermediaries', has focused attention on procurement or contracting methods, within which they have been driven by targets, and increasingly paid only on their achievement (Gray, 2000b).

3.13 A diversity of new programmes; concern with inactivity; new directions, localism

These characteristics can be seen running through the large number of other programmes which have been developed since the first New Deal. These include Employment Zones; Action Teams; Pathways to Work; Progress to Work. Amongst these there are some which have preserved, used or tested other approaches – ILMs; elements of employer subsidy; supported employment. In Scotland the newly-created Scottish Executive created the New Futures Fund with the task of looking at the most excluded groups. Alongside these programmes there has been an extensive programme of re-organisation of the delivery of this part of the welfare state with the creation of the Department of Work and Pensions, and of

Jobcentre Plus as its executive agency, from the merger of the Employment Service with the administration of welfare benefits and pensions.

In the period from 1997, and starting before that, unemployment fell progressively to historically low levels, (with all the same an uneven distribution leaving some areas of the country still showing clearly a deficiency in demand/number of jobs). Since this includes the period in which New Labour governments introduced the programmes described, most commentators attribute at least some contribution to these programmes (although the evaluation evidence is not particularly convincing – the evaluation of NDYP estimated that by 31 March 2000, 456,000 had participated in NDYP and the impact was estimated to be a reduction of youth unemployment by 35,000 but that included 20,000 on government programmes and the rise in youth unemployment across the UK was only 15,000. (Riley and Young, 2001; Willets, Hillman et al., 2003). This in some views has vindicated the intention to get people into work rather than spend time and resources in possibly unnecessary training beforehand.

In addition there were grounds for questioning whether the work-first approach could work with the more excluded groups. The number of people who were inactive did not fall, and those who were claiming Incapacity Benefit rose substantially, exceeding 2 million in 1998, until levelling off in 2000, when they outnumbered JSA claimants by 1996 (see Fig 6). There was therefore strong reason for continuing the process of welfare reform and in labour market policy, shifting the focus from unemployment to economic inactivity.

By and large JSA claimants are considered to be ready for and available for work, although in fact a number who remain unemployed for a long time, despite the New Deals, have substantial disadvantages or barriers to work. Those with the most disadvantages are more likely to claim Incapacity Benefit and/or Income Support. Concern to help these groups of jobseekers has generated numerous, often local, projects, many of which have been supported by the European Social

Fund (Blackley, Morris et al., 1996). One interesting example has been the New Futures Fund, managed by Scottish Enterprise for the Scottish Executive (Training and Employment Research Unit, 2005). This was notable for adopting a systematic approach to developing employability for socially excluded groups, using a model based on the work of Hillage and Pollard.

All the same, the approach described above has been designed primarily with the unemployed in mind, not the inactive and multiply disadvantaged. However as government policy has shifted its attention to this larger group, there has been a realisation that there needs to be a different approach to helping them into work. For one thing, the process will take longer; and for another, given the prevalence of problems like physical ill-health, disability, mental illness and addictions, the support of a number of different organisations will be needed.

Again the initiative here has often come first at local level. For example since 2002 the key agencies in Edinburgh have supported a joint strategy, Joined Up For Jobs (Capital City Partnership, 2002), which has advocated the case that improved outcomes for key target groups will depend partly on joined-up working which can only be made operational at local level, requiring partnership working from both funders and providers (ref Wkg Brief). This thinking is now seen in the Green Paper (Department for Work and Pensions, 2006a) and the Scottish Executive's Employability Framework (Scottish Executive, 2006).

Lastly the work-first emphasis has resulted however in a growing gap between policies relating to employment and unemployment and those concerned with skill levels of the workforce and training. As forecasts of future employment demand predict continuing decline in the number of jobs for which no qualifications are needed, however, it can be anticipated that they will have to move closer together.

3.14 An underpinning debate: demand vs. supply-side issues

Looking back over at least the last three decades, an area of lively debate in policy and academic arenas is whether the wide variations of unemployment seen in this period have been driven primarily by the demand-side or the supply-side of the labour market; and the related but distinct question of where the remedies were to be found (Van den Berg and Van der Veer, 1990; Webster, 1999). For economists studying unemployment during all the preceding decades of the last century, the first question was hardly raised. The problem of unemployment was defined by Keynes as one of inadequate demand, and while his opponents in the classical school of economics differed with him in seeing the problem lying in the price of labour, either way the question was whether the market would create enough demand to employ the existing workforce, with or without state intervention (Stewart, 1967). The debate on the second question of remedies focused on either the stimulating demand or supply-side adjustment in terms of wages.

However in 1970s and 1980s the persistence of high unemployment in apparent defiance of the predictions of Keynesian economics, and the even more worrying coincidence of high unemployment and high inflation, gave weight to the school of thought which claimed that there were problems with the operation of the supply side of the labour market which contributed to high unemployment levels (Meade, 1995). These were variously located in rigidities, often blamed on trade unions (unwillingness to change occupation or working practices; or wage agreements); poor skill levels; and the welfare state, in particular the unemployment benefit system, which, it was suggested, made life sufficiently comfortable that a proportion of the unemployed were unemployed by choice (Layard, 1986).

For this thesis it is useful to consider in a little more detail the two poles of this argument and their application to the questions of long-term unemployment and employability.

Supply-side or Employability argument

On the one hand is the argument that a major cause of unemployment is high lies on the supply side, that is in the supply of labour. Classically this was seen mostly in terms of flexibility on wages and in the workplace – if employers could not create enough jobs in the given circumstances, greater flexibility and lower wages could allow greater competitiveness and more jobs. In recent decades this has been supplemented with the argument that among the problems on the supply-side is employability (variously described) of the workforce. Therefore in this view supply-side measures are the key to reducing unemployment. This is the inspiration of almost all of the labour market measures of successive Labour governments since 1997 as well of the Conservatives before them (Peck, 1999; Webster, 2000b).

The general argument can be appreciated most simply at the individual level, where it refers to why one person may be unemployed and another not, and can be paraphrased as follows. One of the main reasons for individuals being long-term unemployed is that they do not have the characteristics which are sought by employers. These include vocational skills but also, for example, literacy, numeracy, reliability, communication skills, interpersonal skills, team working, motivation. Therefore they are unemployable in their current state and the main purpose of measures for the unemployed should be to improve their employability, meaning to give them these characteristics. This will allow them to compete effectively for entry-level jobs and once in employment to progress upwards.

This argument is usually associated with the contention that at aggregate levels improving the employability of the unemployed will have a positive effect not just for the individual but also on levels of unemployment and employment. Increasing the effective supply of employable labour will, through various mechanisms of labour market adjustment, allow or induce employers to employ more people (Layard, 1997). Of course it also allows that there are other reasons contributing to long-term unemployment as well, for example absence of necessary facilities like

childcare. However, in this view the route towards full employment centres on improving employability and related supply-side measures (see "Employment Opportunity for All" (HM Treasury, 1997b; HM Treasury and Department for Work and Pensions, 2001).

A specific contention is that the employability of the unemployed is affected by their status – the longer they are unemployed, the less employable they become – that is, that employability is 'state-dependent'. This can have three components, the first that employers will use length of unemployment in their hiring decisions, as an indicator of employability; secondly that the experience of unemployment actually reduces employability because skills become less useful through lack of practice and motivation and jobsearch activities decline; and thirdly, that employers always hire the best workers and so those not hired are generally the less desirable, these accumulate in the long-term unemployed population (Daniel, 1990; Nimmo, 1996; Webster, 2003).

The last two are combined in the 'withering flowers' thesis where the labour market is compared to a flower shop – customers buy the freshest flowers (employers take the most attractive workers); those not bought, already less attractive, start to fade and their chances of being bought reduce further (Budd, Levine et al., 1988). The existence of long-term unemployment does permanent damage to the quality of the workforce and so contributes to its perpetuation. This is called hysteresis – although unemployment varies according to levels of demand and within the business cycle, instead of following the same path as in earlier cycles, there is a 'memory' – the problems caused by periods of high unemployment mean that in the following recovery unemployment sticks at a higher level than in the previous cycle. It is suggested therefore that the policy response should focus on this group and include various measures like activation, work experience and training specifically for the long-term unemployed.

Demand deficit or Jobs Gap argument.

The opposite pole of the argument is that the principle cause of long-term unemployment and related labour market problems is that the level of labour demand is too low to match supply (Turok and Edge, 1999); that is, to sustain in employment all those who want work, nationally or locally. It is the absence of enough jobs which causes high unemployment and the rough correlation of unemployment and vacancies shows this. To reduce it the imbalance between supply and demand (particularly geographical) must be corrected (Alliance for Regional Aid, 2000; Regional Studies Association, 2001). Furthermore, the level of long-term unemployment is a function of the level of unemployment rather than vice versa. This is shown by the correlations of long-term unemployment and unemployment both in different places and across time (Webster, 2000b; Webster, 2005). Webster also shows that other factors show similar correlations with unemployment levels, e.g. one parenthood, economic inactivity and sickness/IB claims.

It is assumed that the majority of the unemployed can work, i.e. are fairly employable and that most of the long-term unemployed are in that state primarily because of misfortune. Therefore overall these changes are reversible. Many studies have shown that there is little state-dependence (Nimmo, 1996). At all historical periods, as demand has risen, unemployment has fallen and so has long-term unemployment. There is no hysteresis.

It is accepted that there are people for whom entering employment is difficult or unlikely (disadvantaged or needing to improve employability) but this only has a significant impact on labour market functioning in tight labour markets, when all the rest of the labour supply has been brought into employment. The existence of this pool of people who are least employable can be explained within this framework in a number of ways – for example from the normal distribution of abilities within the population; as arising from the adverse consequences for some

individuals or groups of long-term unemployment; or from employer discrimination and structural inequalities. Social exclusion is in part a consequence of economic disadvantage; low employability is in part a symptom of exclusion from work.

3.15 The challenge of full employment: combining demand and supply-side arguments

Having considered debates in British policy in the field of unemployment and employability, it may be useful to summarise what can be taken from both of these arguments for the question of full employment in the early 21st century.

Some of the basic phenomena which both positions describe are empirically observable. Firstly there are people who are 'unemployable' in that employers will not offer them work while they are in their existing state; and measures to improve employability of individuals do improve their likelihood of entering work. Secondly unemployment does rise and fall in response to employment demand and the relation between unemployment and long-term unemployment (as a % of the workforce) and other indicators of social exclusion is demonstrable. Therefore, going beyond a simplistic dichotomy between the two, the question to look at analytically is the relationship between these processes in specific local and national labour market conditions. Practically the question is what is needed to match supply and demand in specific local labour markets.

This can be said notwithstanding the debate about what full employment means and how one would know when it was achieved – there have been a number of re-assessments of this concept since Beveridge's day. On the one hand there is the attempt to circumscribe the concept, and the aspiration, by specifying that the terms of employment in question are those set by the market to what is possible in the current market context. This approach is echoed in that of the Treasury and Chancellor Gordon Brown – 'employment opportunity for all', with employment opportunities replacing employment outcomes as the objective. On the other hand

is the identification that hidden unemployment and the under-measurement of unemployment by claimant counts require more jobs than might be calculated from unemployment rate data.

Full employment requires the capacity to match the supply and the demand sides in terms of quality not just quantity. While this obviously confirms the need for supply-side measures which help workers develop the skills and attributes needed in their local labour markets, it also implies measures to ensure that there are employment opportunities of the kinds which are relevant to all who want to work, irrespective of disability or other disadvantage (see for example the supported employment model). This is the challenge implied, but not yet met, by that other slogan of New Labour policy, "Work for those who can, security for those who cannot". A further need is to remove barriers which may exist in the operation of the labour market itself.

There are a number of possible interpretations of the arguments and observations about employability in the contexts of these debates about supply-side and demand-side causes and solutions of the problems of unemployment and about full employment. The following chapters aim to illuminate these; but it is also hoped that consideration of the issues raised by examination of employability can in turn inform the debates about full employment.

3.16 Chapter 3 Conclusion

Chapter 2 showed that the rise in the use of the term took place in the context mass employment experienced from the late 1970s onwards; and that it rose to prominence in the 1990s. This chapter has taken a longer-term perspective on the broader context of policy about unemployment and the measures taken in response to it. The dominance of demand-side analyses and solutions from the Second World War onwards gave way to a supply-side emphasis, not just within the traditional neo-classical framework but also, by the late 1990s, within the Labour

Party leadership, which had until then had stuck with a Keynesian perspective.

Even though there was ostensibly no policy specifically about employability as such, the post-1997 Labour governments introduced a range of innovative employability programmes alongside measures to change the conditionality of JSA to require some groups to participate in them which has been described as a work-first approach. It is apparent that all of the five strands of meaning have featured in the rise in the prominence of employability within policy and practice. For example:

- the work-first approach implies an assumption that many claimants (of JSA at least) are employable in the narrow sense; that is capable of sustaining most 'entry-level' jobs;
- in contrast the innovations in Employment Zones and Pathways to Work acknowledge the need to address the lack of Narrow employability in some groups;
- Skills employability is given some significance in those programmes which provide vocational training (e.g. one of the NDYP options; Training for Work in Scotland); however as discussed this strand has been in retreat with the rise of the work-first ethos.
- In contrast the designs of the programmes which seek to address whatever barriers are encountered by the individual recognize the importance of the Match idea of employability
- Adaptability has been a consistent, if implied rather than explicit, feature of the approach taken to getting the unemployed ready for work; supported by the parallel attention given to the concept of lifelong learning.
- the use to which the Broad interpretation has been put has been to describe the overall territory of action and policy, as encompassed by the Hillage and Pollard definition which has provided structure to the prevailing government response to the question of what to do to help unemployed people get work. However by including demand-side factors within what is conventionally seen as a supply-side quality, this approach confuses the analysis and prescription of the problems. While recognizing the

importance of the demand side it implicitly endorses the 'employability agenda' of focusing on the supply side alone.

In looking briefly at the use or relevance of these strands of thought in practice, we start to see that the question 'what is employability?' will not have a single, simple answer. Equally, the question 'is it important?' actually starts to resolve into the questions of the significance of these different strands of thought.

4 LABOUR MARKET THEORY AND ANALYSIS

4.1 Introduction

There are a number of theoretical frameworks for looking at labour markets. A review carried out for this study reveals a simple conclusion about their relevance to the concept of employability. That is, that it is not mentioned by any of the works on labour market theory consulted.

Nevertheless this does not exhaust the possible usefulness of labour market theory here. The questions which arise in these circumstances are whether the concept in any form should or could have a place in these theories; and what can they say about its significance. This chapter looks briefly at this and related questions.

The large bulk of research or academic work on the labour market, in particular economic studies, is either done explicitly within the framework of classical or neo-classical economics; or, where this is not stated, implicitly appears to be done within this framework. For an overview of orthodox economics and the place of the labour market in it, any of a number of textbooks can be referred to (Anderton, 1991; Lipsey, 1993).

4.2 Neo-classical labour market theory

For this prevailing orthodoxy the labour market is essentially analogous to other markets in which a commodity, in this case labour, is traded and exchanged for money. This is expressed clearly by Sapsford: *'Labour is one of the factors of production, and the subject matter of labour economics is, broadly speaking, its pricing and allocation'* and *'In his approach to the analysis of pay determination and related matters, the economist sees wages as the price of labour, and he sees*

these as being determined, in an analogous fashion to the prices of goods and services, by the interaction of supply and demand forces in the market for labour. (Sapsford, 1981)

The market provides a decentralised means of communication and decision-making which acts to balance supply and demand and classical and neo-classical theories hold that in a perfect labour market they would always tend to reach equilibrium. Although logically equilibrium can exist at various levels of unemployment the term is used to mean 'market clearing', meaning that supply and demand will equalise so there would be no, or only transient, unemployment. However as in any actual market in which the standard conditions of perfect competition do not apply, levels of supply and demand at any one time may not lead to the market 'clearing' so there may be oversupply (unemployment). Adjustment in the direction of a balance of supply and demand takes place through changes in price or quantity. However non-market factors (e.g. state intervention; trade unions; oligopoly) are also in play and, as causes of market imperfections, contribute to unemployment (Hunter and Robertson, 1969; Sapsford, 1981).

Labour demand is a central determinant of unemployment and this demand is derived from the wider economy; it is set externally to the labour market. Unemployment caused by insufficient demand is called structural unemployment. There is also always a certain amount of frictional unemployment caused by people moving between jobs or entering the labour market and taking some time to find the appropriate job. In addition unemployment can arise from the way in which demand and supply inter-relate within the labour market. There is a substantial body of work on unemployment and for example its relation to vacancies (the Beveridge curve) (Dickerson, 2003) and inflation (Phillips curve) (Hogarth and Wilson, 2003)

On these foundations there has been built up a specific branch of neo-classical labour market theory, human capital theory, which seeks to explain differences in

wage rates as being derived from the differences in the investment in education and training necessary to produce different kinds of labour. *"Essentially, the purpose of human capital theory ... is to be able to explain why there should be differences in wages for different workers, even in the context of a perfectly functioning market. If workers have different productive capabilities, however they may have been gained, they should receive correspondingly different rewards. These capabilities ... might arise from innate abilities or upbringing or they might have been positively pursued in order to gain economic reward".* (Fine, 1998) p 61.

4.3 Critiques of the neo-classical approach

Reviews of labour market theory from a critical perspective are given by Fine (Fine, 1998), and Purdy (Purdy, 1988) and in the London Labour Plan (Greater London Council, 1986). These and other texts present a number of categorisations of labour market theories. Purdy sees just two main paradigms: the exchange and the reproduction paradigms. The GLC split them into Monetarist, Keynesian and Production. Hasluck and Duffy compare neo-classical, institutional and radical perspectives (Hasluck and Duffy, 1992). Peck presents a critique of 'neo-classical orthodoxy' as part of the process of proposing a theoretical framework which emphasises social regulation and the importance of space (Peck, 1996).

Across all the critiques of orthodox theory, there is a common refrain that labour markets observably do not work as that neo-classical theory suggests they do, that is, like markets in general. The argument is put that while labour, or in Marxist terms, labour power, is a commodity it is different in number of unique ways from other commodities. Therefore labour markets cannot be treated in the same way as other markets; and the outcomes in labour markets are necessarily regarded differently from those in other markets (Peck, 1996). This is referred to as the 'specificity of labour' (Fine, 1998).

A summing of the critiques of orthodox labour market theory referenced here

would include the following. There is little doubt that labour markets conform to the minimum defining characteristics of markets. The essential transaction is exchange of a commodity. The medium of transaction is money. The transaction is governed by a contract between the supplier and the consumer. Supply and demand interact and in doing so they influence the price, quantity and quality of labour exchanged. The question then is whether labour markets conform to the ideal of economic orthodoxy, or even to the pattern of other markets. Here the problems arise. A cursory examination reveals numerous divergences from the economic model of a commodity market.

The crucial conclusions from these points are that there is no reason to believe that labour markets can or do conform to any pattern described or theorised for other markets; nor that they will 'clear' to produce full employment; nor that whatever equilibriums or outcomes they do produce will be socially optimal or desirable. In fact the opposite is true. The specific human and social nature of labour means that the operation of labour markets as if they were commodity markets would be socially disastrous. For this reason labour markets are always socially regulated and therefore institutional, social and political factors contribute to the determination of labour market outcomes (Peck, 1996).

Dual Labour Market and Segmented Labour Market Theories were a product of the realisation and demonstration that empirically there was a lot happening in real labour markets that orthodox theory did not explain. Rubery and Wilkinson describe this genesis as follows: *"(in the 1970s) within the UK and the USA a series of studies revealed the difficulties of explaining the characteristics of the labour market within a standard labour-market framework. In the UK, studies of local labour markets persistently revealed differences in pay levels between comparable workers in comparable firms, suggesting that there was little tendency towards equalisation of wage levels through the operation of competitive markets. In the USA the failure of programmes to extend training for the urban poor suggested that lack of human capital was at least not a sufficient explanation for labour-*

market disadvantage, and that inequality of access to employment structures may also be important (Thurow 1975, Doeringer and Piore 1971). The outcomes of these observations was the development of segmentation theory and of an analysis in which divergences in firm's employment policies provided the central basis for division in the labour market" (Rubery J and Wilkinson, 1994)p.3

Dual Labour market theory was the initial product of this line of investigation. One of the early insights which posed a fairly incontestable challenge to simplistic market-based models was the importance of internal labour markets in large organisations for determining labour market outcomes for individuals. *"Beginning with the first generation of dual labour market models, segmentation theory developed an insistent critique of orthodox economics"*(Peck, 1996)p49

While its description of a core and periphery in both production and workforce reflected some aspects of labour markets it was evidently too simplistic to stand up as a general rule which can explain their complexities. One of the main strengths of this school of thought is its attention to empirical evidence and examination of actual labour markets was sufficient to show that this was no general rule – significant differences between wages and conditions between employees of different companies can be observed which have no basis in the different characteristics of the companies, including their positions in product markets (Rubery J and Wilkinson, 1994; Dex and McCulloch, 1997).

4.4 Marxist approach to labour markets

More radical and Marxist critiques would not deny that the basic elements of a market are present but their different model has far-reaching implications in interpretation of what happens in labour markets. The principal elements of this approach are based in the labour theory of value which holds that labour, time and effort spent by humans, is the only source of value; that the worker is paid for their labour a lesser sum than typically he/she creates and that the difference

remains with the employer. The sum they are paid, the wage, is set in the labour market and corresponds to the necessary costs of reproducing the worker's labour power; the remainder of the value which they produce is the capitalist's profit (Marx, 1976).

The relationship between labour and capital is therefore exploitative, not one between two equal parties and not analogous to the relationship of buyer and seller in product markets. Society and history should be understood through analysis of the relationship between classes, which are defined by their relationship to the process of production – in particular in modern industrial society, between the capitalist class (those who own the means of production) and the working class (those whose only means of living is through sale of their labour power) (Freedman, 1961).

Marxists contend that to understand the labour market it is necessary to examine not only the exchange of labour power between worker and capitalist in the labour market, but also the source of labour power and its reproduction; and furthermore to understand the historically contingent nature of these categories. The production of labour power as a commodity happens outside the sphere of capitalist production – the social reproduction of labour goes on at home and in the family (and also in the education system). This requires both unpaid domestic labour (mostly by women) and the capacity to purchase sufficient commodities (food, clothes etc.) to allow the worker to be able to turn up for work on a regular basis; and to bring the next generation to the labour market as well. These are the socially necessary costs of reproducing labour power which are expressed in the value of the wages paid to the worker. The biological and traditional roles of women in child-bearing and child-rearing mean that their position in the labour market has always been different and weaker than that of men; and this has been the root of their oppression both in the family and as wage-labour (Fine, 1998).

A crucial distinction between Marxist approaches and orthodox economics is that for the former, unemployment, discrimination and disadvantage, although serious problems for the working class, are functional for capitalism. *'Thus the mass of employment cannot be separated from its associated mass of unemployment. Under conditions of capitalism, unemployment is not an aberration but a necessary part of the working mechanism of the capitalist mode of production. It is continuously produced and absorbed by the energy of the accumulation process itself. And unemployment is only the officially counted part of the relative surplus of working population which is necessary for the accumulation of capital and which is itself produced by it.'* (Braverman, 1974) p.386. While it is true that some orthodox economists see unemployment as having an important role in holding down inflation the prevailing paradigm sees unemployment and discrimination as dysfunctional.

4.5 Employability and labour market theories

The brief review above has taken labour market theories on their own terms. Now the question of their relevance to 'employability' needs to be put. As stated above, this concerns characteristics of individuals; their advantages and disadvantages in labour markets; and outcomes for them in the labour market, in particular employment status. The purpose is to see if labour market theories can help establish a clear and useful definition of employability and the understanding of its content; and to find the significance of employability in labour market theory and analysis.

The plain answer is that since employability does not feature in labour market theory it appears to offer little to either of these enquiries. It is therefore necessary to step down from what theory has to say about labour markets as a whole to the level of the individual and consider what each theory would say are the factors which determine whether an individual has work, what kind of work it is, how much they get paid, and the quality of other benefits or dis-benefits related to

work – conditions, security etc. Crude answers, from different perspectives, to the question of what determines labour market outcomes might be as follows:

In neo-classical labour market theory, outcomes derive from the interplay of supply and demand responding to changing patterns of production driven by competition between enterprises and between workers; these mechanisms tend towards equilibrium in which the market-clearing mechanism both sets a fair price (wage) for labour and removes unemployment; which can all the same be persistent owing to imperfections in the labour market. Employers hire the labour which will generate them most profit (or production) at terms which are least costly to them in order to maximise profit. The market sorts and allocates workers according to their productivity (even though the employer cannot know this in advance of the hiring; and some of it is created within the employment contract) which will be determined by a combination of innate ability and investment in knowledge, ability and skill through the education process and training and work experience.

In this context it is reasonable to say that employability relates to the ordering of (potential) workers by the market – and from an individual perspective, the chance of getting work and retaining it. The question arising from the identification of a number of different strands of meaning is whether it corresponds to all the factors which influence the outcome, or whether it is one amongst many.

Human capital theory is the body of work which might be seen as most relevant here. It aims to determine rewards in the labour market in terms of employment and levels of individual remuneration. However, using a competitive model based on neo-classical theory it establishes a fictional norm from which actual labour markets always deviate, and it is these deviations which are the topics which are central to the concerns above. Fine contends that they are shown to explain 50% of the outcomes ((Fine, 1998)p65) and refers to other components of pay differentials: pre-entry discrimination, taste-based discrimination, statistical

discrimination, internal labour markets.

These are topics which are considered in Segmented Labour Market Theory. Broadly, this and other alternative perspectives do not deny that these market mechanisms operate in some circumstances, but assert that they are insufficient to explain actual outcomes, in particular distributional ones to do with which workers get what jobs, and that the model is constructed on unjustifiable generalisations. They operate within labour markets which are segmented on both the supply and demand side – there is not a labour market, but many, including the internal labour markets of large organisations. Differences between individuals as regards whether they are in work, how much they are paid and their employment conditions depend partly, on the supply-side, on personal characteristics like gender and race; and on the demand side, the product market and the employment policies of the employer.

Regulation theory further includes the observation that outcomes are as much determined by social and political forces as by market mechanisms, examples being minimum wage and equal pay legislation. These schools of thought therefore imply that outcomes are not determined just by employability, whether defined narrowly or broadly. They also open up the capacity to see employability as a construct within labour markets, reflecting to some extent the location of groups and individuals within them.

In contrast to the contention that, left to itself in ideal conditions, the market will clear and eliminate unemployment, Marxism asserts that unemployment is a necessary feature of capitalism; and that, unchecked this will impose poverty and even destitution on varying fractions of the working class. It further contends that conflict between classes within production, and within the ruling class over the accumulation of capital, is systemic and that it drives the processes which determine what happens in the labour market. This offers a framework for understanding the experiences of social groups in the labour market: the capitalist

is continuously striving to extract greater surplus value from the workforce and therefore will seek to encourage differentiation within the workforce and lower wages for disadvantaged groups.

The process of capital accumulation requires the existence of an industrial reserve army, within which the individuals in the weakest position in the labour market will tend to be concentrated. The emphasis on seeing the reproduction of labour power as a separate sphere from production gives a particular insight into the role of women in the labour market. It also provides the terrain in which the costs of reproduction of labour power are seen to set the value of labour power; with the further observation that this is a terrain of struggle over its value, just as the distribution of the products of labour is contested between capital and labour. A possible integration of the narrow view of employability with Marxism is that it corresponds to the idea of simple labour power – the ability of the individual to work and to bring their capacity to work to the market. Some of the most disadvantaged (the lumpenproletariat) cannot do this in normal circumstances. Others, the unemployed (the industrial reserve army) can do so but there are questions about the quality of the labour power they present – the degree of employability – which will influence whether they get work in any given labour market and level of demand.

In conclusion, within the available views of labour market theory, no one body of work has been found which examines and explains the question of employability. They do however present the backdrop of available explanations of what happens in labour markets against which further investigations can be set.

4.6 The limitations of economic theories

The shortcomings of these different schools with respect to the study of labour markets are perhaps the only certainties which are revealed by the texts consulted. The conclusion drawn by Fine from his wide-ranging survey appears to be that it is

all so complicated that there cannot be any general labour market theory – each labour market is specific. *"... different labour markets are structured and function differently from one another"* (Fine, 1998).

A number of reasons why labour market theory has little to say about these topics have been alluded to. There is perhaps a further, more fundamental, problem which restricts the usefulness of existing labour market theories for this subject. It is assumed in general that labour market theories are economic theories. Fine starts his book entitled *Labour Market Theory: a constructive reassessment* "*This book is concerned primarily with the economics of the labour market*" Fine p1. The basis for such an assumption to be examined.

From an economic point of view unemployment describes the underutilisation, or oversupply, of a factor of production – in this case labour – and economic studies of markets in general do not focus mainly on degrees of oversupply as outcomes except inasmuch as these affect price and the pattern of supply. It is suggested here that the relative lack of integration of unemployment in labour market theory, and the omission of employability, may be due to its definitional status as the degree of oversupply which has a peripheral place in the structuring of markets as places where demand and supply meet to fix price.

Starting with an economic framework it has been demonstrated that the quantity, quality and price of labour are determined partly by other, non-economic, factors which impinge on the interaction of supply and demand, much in contrast to the average product market. Perhaps labour market theories should not give a priori primacy to the economic factors through defining the others as exceptions to the norm (defined normally by neo-classical economics).

What are the disciplines which help us understand these other factors? The review of meanings given to employability showed the significance of things like attitude, motivation, self-confidence and aspiration. These lie in the realm of psychology.

We have seen the importance of looking at the experiences of different social groups; and the structural barriers which some of them face. These questions lie within the realm of sociology. Somewhere in between are questions of who learns what and when. Since interactions in labour markets involve relations between communities within which different types of labour power are typically reproduced, and attitudes to power and opportunity are created in these communities, there is also an argument that anthropological and ethnographic perspectives can be useful.

The fact of social regulation is one further central reason why labour market theories cannot be solely economic theories. This brings in necessarily the study of politics. The supply of labour power, the social reproduction of the labour force, is rooted in and determined by all the functions of society. It has to be concluded therefore that labour market theory has to draw not only on economics but also on other social sciences. We need *"... a conception of the labor market as a socially constructed and politically mediated structure of conflict and accommodation among contending forces"* – because *"labor markets are systematically structured by institutional forces and power relations"* (Peck, 1996).

4.7 Roles of the state

For neo-classical economics, the role of the state is not seen as central to labour market theory. For it, the state's main function is to set and police the regulations which are conditions of markets operating effectively; and to ensure an adequate education for the workforce (Hunter and Robertson, 1969). Additionally it may intervene in cases of 'market failure'. This concept requires serious critical examination but it is taken to mean those circumstances in which the market produces outcomes which are undesirable in relation to wider social or economic criteria. This appears to be based on the conception that ideally the outcomes of a perfect market system would be pretty much perfect – but in reality markets cannot always fulfil all the roles imagined for them in this neo-classical utopia.

The 'failure' is often considered to be due to interference by sectional interests like organised workers or cartels amongst employers; or just by imperfect knowledge and therefore imperfect competition (Lipsey, 1993). All the same it is considered in this perspective that it is desirable that the state keeps out if at all possible; or intervenes in order to let market forces work 'properly' so that market clearing can take place and reduce unemployment to a minimum. State intervention is seen to hold the danger of distorting the workings of the market and so itself preventing market clearing.

From a critical perspective, the role of the state is quite different. At its simplest, in addition to the need for basic regulations, the state acts in the labour market because on its own that market will inevitably produce some outcomes which are undesirable. If they include the impoverishment of sections of the population they will even be inconsistent with political stability and continuing economic growth. Therefore the state intervenes to achieve collective or social goals (Peck, 1996).

This leaves open the question of whose social goals it acts for, which depends upon the character of the state in question. In a liberal democracy the actions of the state respond to the outcomes of elections and therefore the question requires some political analysis. Views about this will often be contentious. For Marxists the state intervenes on behalf of the ruling class, irrespective of the outcome of elections (Freedman, 1961). However this does not mean that its interventions are not influenced by elections and the political process – just that in a capitalist society, outside of those who seek to abolish capitalism, political discourse is about how best to manage capitalism and how to distribute resources within it.

4.8 The role of the benefit system and social protection in the labour market

One of the most important elements of state action as regards unemployment and the labour market is the regime for providing income to the unemployed and

selected groups of the economically inactive – in Britain called the benefit system or the welfare system. The benefit system provides a level below which wages will not fall because people would be better off 'on benefit' (Sutherland, 1999).

Another role is the maintenance of reservoirs of potential labour, either in circumstances where they are ready for work, or, for those considered not able to work, on benefits where they are effectively excluded from the labour market. Its design embodies assumptions about the behaviour of workers and incentives and sanctions to influence them (Daniel, 1990). In recent decades there has been increasing linkage with policies to get more people into work (unemployed and inactive) through 'Active Labour Market Policies'.

In any discussion of employability it will be necessary to consider the impact of the benefit system on the behaviour of individuals (Daniel, 1990; Gray, 2001; Manning, 2005). For example, the current regime of the JSA embodies the assumption that jobseekers need to be required to look for work and to take any work available for them (after a period of 13 weeks); that there may be problems of motivation, attitude and aspiration (all components of one version of employability) and so a degree of conditionality backed up by sanctions of removal of benefit, is needed. The design of the regime links directly to the design of active interventions like the New Deal which is centrally concerned with employability in both its narrow and broad versions. In relation to Incapacity Benefit, it has been observed that there are significant disincentives to moving from this source of income to reliance on a wage; the Government continues to try to address these (Department for Work and Pensions, 2006b). These can be taken to operate whatever the employability of the individual.

The impacts of the benefits system are clearly numerous and complex. At this point it will be sufficient to allude to three lines of thought. The first is that it defines the socially acceptable levels and conditions for support of those who are not working, including a haven from the rigours of the labour market for those

who are temporarily or permanently not in a position to compete successfully for work in it. In so doing it sets a collective reservation wage, below which few people will be willing to work (Daniel, 1990; Bell and Smith, 2004). A second view sees the benefit system as a sorting process for the management of labour supply (Evans, 2001). The ways in which this is done have significant consequences for the supply side and the opportunities for people at the margins of the labour market – see Gray on the comparison with France and Belgium and ‘cumul’ (Gray, 2001). A third view sees benefits as silos and draws attention to the difficulties of leaving them (Edinburgh Community Trust, 2000). These are not incompatible, rather they are additive to create a rounded view.

4.9 Conclusion to Chapter 4

We have seen that there is no mention of employability in any of the works about labour market or economic theory. Therefore it has been necessary to draw out the implied views about the questions encountered in looking at employability. Because there is no explicit reference this will be of no assistance in answering the question of what employability is – one can locate all of the strands of thought within the frameworks offered by the competing theories.

One can hesitantly suggest some ideas about the use which they might make of the different strands. For Marxists, since unemployment is an integral feature of capitalist labour markets, the issues covered by broad meanings will also be a permanent pre-occupation of the state. Similarly the problems of narrow employability will be recurrent – partly as the symptoms of the inequalities imposed on specific disadvantaged groups; in this sense relating perhaps to the issue of whether labour power is actually brought to the market. For neo-classical theory, narrow employability is only one factor among many which determine who gets what work. It might be implied that if the labour market was working effectively and ‘clearing’ then it would be an insignificant feature. The broad versions correspond to the idea of the labour market sorting the workforce in a

rational way in order of usefulness to employers, as described in Human Capital Theory.

However since the integration of employability into these theoretical frameworks has yet to happen, this review is primarily useful in presenting the kinds of explanations available about outcomes in the labour market – within which the task is to find a place for employability; or rather for the different strands of thought about it.

5 EVIDENCE FROM EMPIRICAL ANALYSES

5.1 Introduction

Having looked at the contributions which labour market theory may be able to make to the study of employability, the next step in this thesis is to look at what empirical studies can offer. Whatever theoretical framework is used and whatever definition is adopted, investigation of the importance of employability has to examine empirical studies of actual labour markets. Whatever the meanings invested in employability, its importance has to be judged relative to other factors and labour market problems using empirical evidence.

This section therefore scans some empirical studies to show the kinds of knowledge about labour markets which are available and relevant to employability; and seeks to draw out some implications for a study of employability. Given the scale of the literature this can only be a cursory view of the territory. It will be shown that this part of the enquiry, like that about labour market theory, also presents a number of challenges in relating the evidence to employability and its various strands of meaning. However it will be possible here to illustrate some of the issues already identified and assist with the overall assessment within this thesis.

As always, to get useful answers, it is important to know what questions are being asked. In this section of this thesis the purposes are

1. to shed light on the usefulness of different meanings of employability within labour market analysis – specifically the ones identified above;
2. to find evidence about the importance of employability and of the different versions of what it means; specifically as a factor in explaining: who is/is

not in work; and overall levels of unemployment and worklessness

3. if this evidence is not found, the tools for looking at the questions will be sought. For example, can it (employability) be measured and predicted?
4. to seek causes of high or low levels of employability – of individuals, or groups, or in local labour markets

The first part of this chapter presents a brief overview of the common types of empirical studies of labour markets. Because they rarely deal with employability directly, the assessment of their relevance to the subject of this thesis is left to the end of the section. It is accepted that as a survey of all empirical investigation of labour markets there are significant gaps, principally as regards econometrics and modelling in the neo-classical tradition, which are outside the scope of this thesis and which also do not deal with the concept of employability. It is also not possible to do justice to the full range of studies within the territory of Segmented Labour Market Theory. However the concerns with which that deals are to some extent considered in later sections.

5.2 Descriptive Studies and Trends – Overview

There are many studies of the labour market which look at outcomes in the same terms as studies of any other market: in terms of product (that is labour in the form of different trades, professions or occupations); prices (wages); and quantity (e.g. how many people are employed). From an economic point of view these describe the most significant outcomes of the interactions of demand and supply. However they are not much related to questions of employability itself, and even unemployment may be a marginal concern of this type of study.

Partly because of the policy interest in unemployment as a labour market parameter, there are also many empirical studies which do examine outcomes in

terms of the status of workers, dividing the working age population into categories like employed, unemployed or economically inactive (Gregg and Wadsworth, 1998; Fothergill, 2001; Webster, 2001). (The corollary in product markets would be to look at the proportions of commodities produced which are bought). These basic parameters can be subdivided in a number of ways – e.g. length of employment or unemployment; type of occupation. All are spatially bounded – often applying to a national framework; or a specific geographical area. Many look at patterns of distribution of outcomes both between and within areas (Green, 1998).

Many use sociological categories to analyse the incidence of unemployment, inactivity or employment – e.g. by skill, education, gender, ethnicity, age etc. (Daniel, 1990; Green, 2006). The presentation of these kinds of data is regularly taken as the starting point of local labour market analysis. Beyond simple descriptions fixed at a particular time, there are numerous ways of looking at comparisons and correlations between variables – between different localities or countries, between industrial sectors and occupations, different categories of worker (skill level, gender, race etc). (Erdem and Glyn, 2001; Blanden and Gibbons, 2006; Green, 2006).

Many studies describe trends in such variables, over a range of time periods. Changes in distribution within the workforce, for example by gender or ethnicity, are frequently analysed; as are changes of the characteristics of the workforce, e.g. skills and qualifications, which of course are components of some definitions of employability. Employability is not a factor which is described in such studies.

5.3 Stocks and flows

As described above it is common to describe labour markets in terms of a set of figures corresponding to the numbers of people having one status or another at a given time. However these aggregate figures are crude tools for describing labour markets, principally because they obscure the dynamic nature of the populations

which they describe. If unemployment remains the same from one month to another this does not mean that the same people are employed and unemployed. In fact many people will have become unemployed and many unemployed will have got work. The aggregate figures are just that – they describe the outcomes of net flows between the various categories being used (Gosling, Johnson et al., 1997; Gregg and Wadsworth, 1998; Young, 2001). (Where people are described according to their status, for example, when there is talk of ‘the unemployed’, it can also be argued that they obscure their characteristics as well, when there may be implicit assumptions, for example that all unemployed people are equally ready for work; or all people with a specific qualification are equally productive).

A number of empirical approaches, therefore, are based on trying to look at the movements of people within labour markets. For this the basic model is that of Stocks and Flows – at the start of any period there will be populations already in one status or another, for example unemployed – described as the stock; and in the period some more people will flow into it; and some will flow out of it. Changes in the total unemployed population will arise from changes in inflow, outflow, and average duration of unemployment (Martin and Sunley, 1999; Sutherland, 1999; Greenaway, Upward et al., 2000; Dickerson, 2003). These flows have been used to describe the dynamics of the pool of unemployed or inactive by analysis of the characteristics of those who are flowing from one status to another. They look at, for example, which kind of workers are most likely to leave unemployment after a short period, which are most likely to stay a long time or leave to inactivity (Daniel, 1990; Young, 2001; Manning, 2005). Employability may be cited as a potential factor but if so it is measured using a regularly available variable like skill level or basic skills (or combination) as a proxy.

5.4 Labour Market Accounts Jobs Gaps, Mismatch

For an overview of what happens in labour markets it is necessary to move from examination of one outcome, for example unemployment, to look at the combined

trends on both the supply and the demand sides. Many such studies are set in a conceptual framework in which it is taken that demand is approximately measured by the number of jobs – the level of employment plus vacancies – and supply by the sum of those employed and unemployed. While for some purposes this is sufficient it should be noted that in their dynamic relationship, supply and demand can influence each other and both are influenced by price (wages); and that their can be both supply and demand which is hidden, that is, not measured by these data (Sutherland, 1999; Nickell and Quentini, 2002).

One approach which sees a labour market as a dynamic totality is the use of Labour Market Accounts. From a baseline, it accounts for changes in numbers of jobs in a locality; and the totals in employment, taking into account commuting, migration, and shifts between unemployment and inactivity (Bailey and Turok, 2000).

A related concept which can be derived from this approach is the Jobs Gap – the number of additional jobs needed to employ all the available labour in a given area. Taken as a total figure this is useful for macroeconomic and policy purposes (Turok and Edge, 1999; Alliance for Regional Aid, 2000). It is therefore common to talk about a mismatch between supply and demand being a significant factor in the levels of unemployment (Layard, 1986; Hogarth and Wilson, 2003). This can be described as geographical mismatch, where there are unfilled vacancies and a shortage of workers in one region and unemployed workers in another (Green and Owen, 2002).

The attitude to differential distribution of unemployment has been a defining aspect of UK government policy – regional policy has sought to re-distribute employment through incentives and public infrastructure works, although this lost its previous importance under the Conservatives in the 1980s. Since then, although the ‘regional problem’ presented by areas of high unemployment has been largely ignored as an object of policy by Conservative and then Labour governments (Regional Studies Association, 2001), others have pointed to the challenge which

local demand deficiency presents for the aim of Full Employment.

However, these concepts of jobs gaps and geographical mismatch are only a starting point for looking at the task of creating full employment – the jobs have to suit the workers available and vice versa, or at least some mechanisms of labour market adjustment should bring them to match. In fact the skills of the unemployed and inactive are mostly different from those of the unfilled vacancies; and from the profile of jobs being created (Institute for Employment Research, 2002). A share of unemployment may arise therefore from there being workers without the skills and attributes needed by employers. This is called skills mismatch.

This skills mismatch is normally thought of in terms of vocational skills – for example where the skills of older workers learnt in declining industries are not suitable for growing occupations which require different skillsets (Houston, 2002; Institute for Employment Research, 2002; Pumphrey and Slater, 2002). However there is another component of the mismatch between potential supply and actual demand – if enough of the unemployed do not have basic employability skills, seen as the characteristics necessary to get and keep any job, then vacancies will remain unfilled irrespective of their vocational skills or the capacity to learn them. Problems with employability or employability skills (ranging from team-working and communication skills through ability or willingness to learn to time-keeping and reliability, for examples) may therefore logically be included in such diagnoses.

(In labour markets where there is high unemployment (low demand) skills mismatch will have a different (lesser) significance compared to those where there is lower unemployment. In the latter, employers will consider recruiting less immediately attractive workers; but if there is an overall mismatch in skills, aspirations and experiences, unemployed workers are not able to benefit from the jobs on offer, and the mismatch may impact on unemployment and employment levels).

As local economies have experienced major shifts from manufacturing and primary industries to service industries, both of these kinds of skills mismatch have been identified (Futureskills Scotland, 2002; Hogarth, Hasluck et al., 2003). In fact they probably interact – the lack of traditional employment opportunities can create the problems of motivation and lack of self-esteem which comprise part of the problem of low employability.

Non-vocational, generic or employability skills can therefore be among the significant factors in the working of the labour market – for example lack of characteristics like communication skills or willingness to learn; of jobsearch or the motivation for it; and poor self-presentation (e.g. c.v. and interview skills) may prevent supply matching demand. Here it seems is a territory in which the idea of employability can definitely be useful. It extends to ideas about less concrete characteristics like aspirations and their match with local employment opportunities; self confidence (that s/he could do a new kind of jobs which is available), adaptability, health, reliability (ability to attend at work on time). The question remains, however, of how it can be measured in such a way as to be used in labour market analysis. One answer could reside in the use of assessments made of clients in the employability 'industry', the employment intermediaries.

5.5 Relevance of these studies to employability: the problem of measurement

As with labour market theory an obvious initial observation on the kinds of data and studies reviewed above is that employability is not normally to be seen in empirical labour market studies, at least in any direct sense. Employability does not appear in labour market statistics (although some might suggest there are proxies for it, e.g. skill levels). The straightforward reason is that whatever the definition of employability used, there are no simple ways of measuring it even at individual level; perhaps because of the confused or contested character of the concept.

At aggregate level, where (low) levels of employability have been suggested as a cause or an outcome of some of the trends noted, these are hypotheses which need to be investigated. However there may be particular difficulties in assessing employability at the aggregate level. This would only be possible where there are indicators which are thought, according to some definitions, to be proxies for employability. It could be that useful proxies are available (e.g. jobsearch) but the precondition of using them is to establish clearly the meaning of the term and demonstrate that they really are proxies – that a direct relation with the quality of employability can be shown with the proxy which can justify its use (for example because data on the proxy can be generated more easily than data on the quality itself).

The data most likely to be presented as proxies for employability rely on one or other of the narrow definitions. The most commonly used is skill level – ranging from basic skills to vocational and academic qualifications. It has also been suggested that levels of jobsearch are a measure of some aspects of some definitions of employability, although these data again are not really features of the kinds of study reviewed above. While the establishment of correlations and directions of causation between these indicators and, for example, unemployment levels is interesting, it is hard to see what is added by an imputed relation to a different, related or additional factor called employability – unless that relationship is clearly specified. It is hard therefore to see what they tell one about employability rather than about the specific variable measured.

The broad definition of employability (chances of getting work; all the factors which influence whether someone get work) suggests that for the individual, unemployment or employment is itself an indicator of levels of employability. Taking this to the aggregate level illustrates the redundancy of definitions which equate employability with employment outcomes. If the status of being unemployed is thought to indicate low employability, it can be seen that the term loses any usefulness: inasmuch as employability is being measured, it is actually

being equated with the outcome (unemployment or employment), so it cannot explain it. If all unemployed people have low employability what is it adding to the description of their status as unemployed? If low employability among the workforce is thought to result in high levels of unemployment how could one show this using this measure?

These comments apply equally to those studies which look at static descriptions and at change. However the latter implicitly raise the additional question of changes in employability; and the factors which may cause these. Are changes in employment status caused by changes in employability, or mainly by other factors including on demand side? Or conversely, how much are changes in employability caused by and therefore symptomatic of changes in levels of employment and unemployment, reflected in individuals' responses to circumstances? These considerations take the question back to the human, individual level. All the aggregate data are made up of individual's journeys within labour markets. It is a considerable challenge to connect quantitative data with the understanding which can be derived from studying what happens to actual people. The Population at Risk approach, based on demographic methods, may offer the best foundation for doing this.

While it is an important observation that there is no specific mention of employability in this body of work, it does however map the territories within which it can be located – for example the characteristics of not only the unemployed population but also, perhaps principally, within the economically inactive; and also within specific groups in the population. In policy terms the Broad definition is co-terminous with this field of enquiry.

Further this observation does not mean that quantitative investigation of employability is impossible. It should be clear that employability is a quality which consists of some combination of the characteristics of people, defined in relation to their labour market. The combination determines the definition and vice versa – it

is the task of the proponent of any one version to specify this and in doing so also to say whether in some way this is a quality which is more than the sum of the specified parts -- some additional quality. If so the challenge of measurement may be considerable. But to repeat, what is needed in the first place is a clear specification of employability.

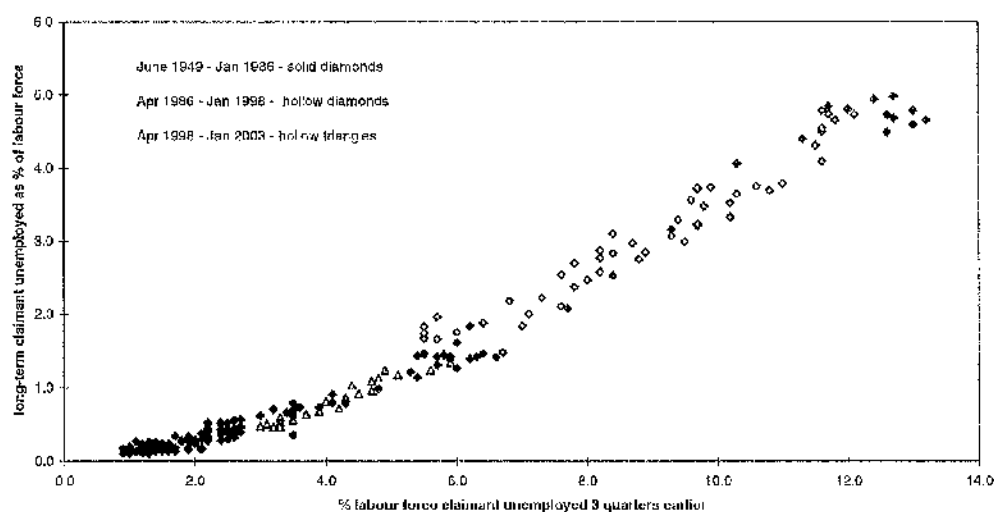
5.6 The L/U Curve – and what it suggests about employability

The questions about the importance of supply and demand side factors which run underlie much empirical work have been investigated in David Webster's work on the L/U Curve – that is the relationship between long-term unemployment and unemployment over time and place (Webster, 2005). Webster demonstrated that the pattern is characterized by a lag of approximately nine months; and that if the measure used is long-term unemployment (L) as a proportion of the workforce (not of the total unemployed); he then shows that there has been a remarkably consistent relationship between the two, when compared over both time and space. He argues that the relationship has been obscured by (1) failure to look at lags in the relation between the two factors and (2) the use of an inappropriate measure of long-term unemployment for the purpose.

The L/U curve describing the relationship between the proportion of the workforce which is over one year LTU and the proportion which was unemployed 9 months earlier has the form in Fig 4. Webster shows that this is a consistent pattern when investigating labour markets across Britain and in all periods since the 1940s, when fairly reliable data starts.

The demonstration of such a regular pattern across place and time must offer an important clue to some of the workings of labour markets, which appears to have been little exploited in the literature. Here it is possible only to look at the principal implications for the question of employability, and to pose a number of questions which should be examined further outside of this thesis.

Fig 4: The L/U Curve: Great Britain 1940 – 2003, long-term by total unemployment three quarters earlier (from (Webster, 2005))



The curve portrays a linear relationship between L and U in which every fall in unemployment produces a proportionate fall in long-term unemployment, until U reaches about 6%. Below this L falls at a progressively slower rate than U. If the linear portion is projected downwards it intercepts the L axis implying a residuum of highly unemployable people who even at very low levels of U are hard to employ.

This stable relationship between L and unemployment (U) is strong evidence that unemployment drives long-term unemployment. It is hard to see any argument that L has a role as an independent variable, driving or even influencing, the level of U, within these data. L is a function of U (with a nine month lag) not the reverse. Therefore it seems that the principal determinant of long-term unemployment is demand deficiency, since levels of demand are assumed to determine unemployment levels. Therefore, Webster claims, this work demonstrates the reversibility of long-term unemployment and also seems to refute the withering flowers theory (Webster, 1997).

It should be noted that the L/U curve describes the relation of L to levels of unemployment, variations in which can be taken as a proxy of demand for the

purposes of examining the L/U relationship. It does not, however, comment on the relation between U (and therefore L) and levels of demand directly – it remains possible that there could be higher or lower levels of unemployment in response to a given demand for labour, depending on the composition of the unemployed population and any other supply-side deficiencies. This would be reflected in varying levels of unfilled vacancies.

Similarly it does not comment on whether the population of U has high or low employability characteristics. However in that regard it is significant to note that Webster argues that skills mismatch does not alter the L/U relationship (Webster, 1997). Whether high levels of U locally are caused by lack of demand, or mismatch, or both, the relationship (curve) is the same.

It can be assumed that levels of employability and mismatch do vary between labour markets. If they did have an effect of varying the L/U relationship then the correlation would not be so strong – there would be a significant scatter. Webster has looked at the scatter and regularity in terms of significant outliers – those observations which fall significantly either side of the curve – and has been able to explain these through factors like a high prevalence of seasonality.

Since the L/U relationship has been stable over time it could imply that any measures specifically to help the LTU in that period have been ineffective at reducing long-term unemployment. It also implies that there is no hysteresis – that the consequences of one period of high U are not higher U later. This gives apparent evidence that the negative personal and social consequences of long-term unemployment are also reversible – i.e. that there is no legacy from the period of high long-term unemployment. However there are three states in relation to employment to consider: employment, unemployment and inactivity. Those most damaged or disadvantaged by long-term unemployment may perhaps have moved into inactivity and generated growth within the different groups within it – long-term sick, discouraged workers, or domestic carers. Furthermore the curved

part of the relationship at lower levels of unemployment reflects, in Webster's view, the increasing concentration of people with employability problems which arises from the more able of the unemployed being recruited earliest.

Why do different labour markets reproduce the same L/U relationship? This is not explained by Webster's studies. The implication of this regularity appears to be that L/U describes a general relationship between parts of a population and the flows between layers or cohorts defined by length of unemployment. The rates of flows of individuals into and from employment are determined by levels of demand (reflected in job destruction and job creation) on the one hand; their individual characteristics on the other. Their flows within the unemployed population are governed by a pattern of responses to job opportunities which must have some statistical or demographic regularity – there must be statistical or demographic formulae available to model these flows. It would be interesting to look at different models and see what L/U relationship they produce and if they replicate the linearity of the L/U relation above ca. 6%.

5.7 What can L/U tell us about employability?

A number of strands of thought about employability can be drawn from relating this overview of Webster's work on the L/U curve and the debate between supply and demand-side factors. They relate to, and illustrate issues for, different definitions of employability. For this discussion, we will consider only the dichotomy between the broad definition, which includes not only on personal characteristics but also questions of demand; and the narrow definition which refers to individuals having a bundle of characteristics which are deemed to be those which employers, generically, desire in employees.

Firstly, the regularity of the L/U curve across place and time suggests that changes in employability do not affect the curve – and so that variations in employability across place and time cannot contribute to the explanation of the level of L in

relation to U. Specifically the employability of the long-term unemployed is not a significant factor.

Secondly, whichever definition is used, the striking implication of the L/U research is that the best way of improving employability within the economically active population is to reduce U and so L. Lower unemployment means more people are employed (relates to the broad definition). Greater demand increases the chances of people with a given level of employability (a given bundle of characteristics, relating to the narrow definition) getting work. As U and L reduce then the 'employability characteristics' in the working population will appear to rise too. This is because it seems that one of the effects of higher demand is to reduce the negative effects of high unemployment – undoing the damage which is caused by long-term unemployment, both because fewer suffer from this and because the prospect of work may encourage jobsearch.

Thirdly, taking a broad definition which encompasses all the factors affecting chances of work, employability is indicated by a person being in employment or their likelihood of moving into work from unemployment or inactivity; their employability is both a description of the outcome for individuals of their place in the supply-demand equilibrium and of the factors which contribute to this. To help long-term unemployed people into work, effort needs to be put into measures which improve their employability in their given labour market circumstances. This will help the individual to compete for work whether or not it also contributes to a change in unemployment levels. Measures like these should help people in the L population enter work more quickly which would imply a change in the L/U relationship – which however is proven to be stable over the periods studied by Webster. (The question of whether the New Deals have changed this relationship is hard to answer – by changing the conditionality of unemployment benefits they have also removed the data).

Fourthly, the fact of being unemployed (L) for some time will have a number of

effects on some individual workers; which may become reflected in their personal characteristics and so what they can offer an employer. For example, as demand falls, more people will become long-term unemployed. More will suffer from demotivation and depression. Some will fall prey to problems like alcohol or drug abuse, or homelessness (probably mediated by rising poverty). Accordingly more become 'unemployable' – low employability in the narrow as well as the broad sense. A number may leave the labour market, into economic inactivity. Conversely, as demand rises the pull effect of the greater availability/likelihood of work and higher income reverses this trend and through diverse personal trajectories, more people become 'employable'. In this picture employability, whether using a broad or narrow definition, is a product of, or an epiphenomenon of, the interplay between supply and demand.

Fifthly, a narrow definition sees employability as the collection of attributes or abilities which employers want. (This must clearly be described according to the historically and geographically specific character of demand by employers in the labour market in question). A proportion of the workforce at any time suffers from poor employability in this sense. At its simplest this could just be a description of the group of individuals who innately or through circumstance are in the lowest fractions of the workforce in terms of the qualities desired by employers; and therefore an unavoidable element of any labour market.

Lastly, if employability is one of the characteristics of individuals which will determine whether they are in the group who benefit early, late, or never from increasing availability of work; then improving their employability is a necessary (but not inevitable) part of the course which many individuals have to take to get back into work. Using the examples above, their alcohol or drug abuse, or homelessness have to be addressed. Employability is not only a dependent variable, as is suggested above but has causative power as regards their own circumstances. If there are unfilled vacancies suitable for these individuals, improving their employability will have consequences for the levels of employment

and unemployment in a labour market.

However this group can encompass those people on whom are concentrated the most adverse consequences of long-term unemployment (or other sources of social ills). While a large part of the workforce retains or can restore its fitness for work at times of high long-term unemployment there is a proportion for whom this experience creates problems which are not easily resolved. (These might include mental illness, ill health, demoralisation, drug and alcohol abuse, absence of work ethic etc). These processes can work at a community or inter-generational level – the children of those who do not work are less likely to be employable. In one interpretation, this is the legacy of the damaging effects of high historical levels of unemployment which unassisted labour market adjustments can not deal with. One important question to examine is therefore what determines the size of the groups of people whose employability is so low that they do not constitute an effective labour supply? Another is to look at the incidence of these problems in the economically inactive population as well as the unemployed.

5.8 Economic inactivity and hidden unemployment

It has been suggested above that the regularity of the L/U curve shows that employability is not needed as a factor to explain how, as demand rises, the unemployed total falls and long-term unemployment falls with it; and vice versa. Since variations in employability do not change the pattern of the L/U curve, this appears not to be a factor in determining the numbers who are long-term unemployed; although within this context, the factors which compose employability might be expected to influence the order in which the unemployed get work. That said, the curved part of the L/U curve at low levels of unemployment does indicate that there are constraints on the filling of jobs from those within unemployment who are the last to get work. Employability, however defined, is pertinent here although there are other possible explanations as well; and the implication of the regularity of the curve is that it plays the same part in each

labour market.

It has also been suggested that the benefit system in the UK works as a mechanism for sorting those available for work and ready to work, i.e. employable, from those who are not. If this is the case then the JSA population would be the one which would respond to rising demand fairly regularly, as is in fact shown by the L/U curve. However the unemployed are not the only people who get work – both the employed and the economically inactive do as well. It may be, therefore, that the main issues of non-employment arising from low levels of employability reside in the inactive population.

The question therefore arises of whether employability, or the lack of it, is an important issue in the understanding of that fraction of economic inactivity which is caused by disadvantage (the other parts being students; and people who choose not to work, for example when caring for children or other dependents). For this it is important to tease out the employability dimension from other barriers faced by these populations. These questions, which have important bearing on the issues of reversibility and the definition of full employment, are considered in the next section. Here we look at the implications of the divergent trends in unemployment and inactivity.

While unemployment has fallen in the UK over the years from 1994, the same is not true of economic inactivity. The numbers of JSA claimants fell but the numbers of people who are claiming other benefits (IB and IS) rose, only recently starting to fall in 2004 (see Fig 6). This has been one reason for the government's interest in Welfare to Work. Understanding the drivers of these trends is therefore very important.

To unpick the relationship between unemployment and inactivity it is first necessary to look at the question of the location of the boundary between them. The former is defined as all those who are available for work and seeking work but

not working. These are broadly the criteria for eligibility for Jobseekers Allowance (JSA) so it includes all claimants of JSA but as will be shown, it should also include many others. The inactive are those who are not available for work and/or not seeking work. In terms of benefits, Incapacity Benefit (IB) and Income Support (IS) are potentially available for people who are unable to work and have no other income. It is often assumed therefore that the number of JSA claimants measures unemployment and the numbers claiming IB and IS reflect inactivity, or at least that part which is relevant to social exclusion. However this is a mistake; rather since JSA is claimed only by a specific fractions of the unemployed populations and other fractions may be either claiming IB or IS, or no benefits at all.

There is extensive literature and debate about the definition and measurement of unemployment. This is in part due to the complexity of the issue but in part also to the evidence that over 1980s and 1990s the ways of measuring unemployment were frequently revised, almost always in a downward direction; and the view that the Conservative governments which presided over massive rises in unemployment in this period deliberately changed the methods of measuring the claimant count in order to minimise the apparent rate; and diverted claimants onto Incapacity Benefit.

These points are valid but even without them there is likely to be a difficulty with using an administrative count of claimants as a measure since reported levels must necessarily be affected by rates of claim among the eligible and more importantly rates of disqualification under a regime which encompasses benefit withdrawal as a sanction for non-compliance with conditions relating to jobsearch etc. Hence it is well established that the JSA Claimant Count is a poor descriptor of unemployment.

Such concerns have led to the replacement in the UK of the JSA claimant count by the ILO measure based on the quarterly Labour Force Survey. (All the same it should be noted that for some purposes the claimant count remains very useful for research and analysis because it is in effect a 100% sample of (successful) claimants. It can be assumed to reflect changes in actual unemployment and be

reliable for purposes of comparisons between areas).

However there is in addition evidence that the ILO measure used by the UK government itself underestimates unemployment, and that there are substantial levels of hidden unemployment especially in areas of industrial decline. Those making this argument deploy the idea of the discouraged worker – those who have so little confidence that they can get work that they do not seek it. It is suggested that what needs to be measured is 'labour market slack' – counting all those who would like to work if work was available. This is defined by the TUC as the Want Work Rate and is generally about twice the ILO rate. It includes the sick, discouraged workers and trainees on government programmes.

Fig 2 shows that inactivity has been fairly stable over the last fifteen years, with only a slight fall in the previous two decades. However this overall trend conceals a number of significant trends. There has been a rise in economic inactivity in the male working age population in the last quarter of the last century but what is most striking is its growth for males with no qualifications – from 3.8% in 1975 to 30% in 2000. In the same period the number recorded as working age and sick rose from 400,000 to 2,100,000. The trends in employment rates for men and women are in the opposite direction as can be seen in Fig 5.

Another striking feature within these trends is the growth of the number of people who are inactive due to sickness or disability. This is reflected in the numbers claiming Incapacity Benefit. Fig 6 shows that the dramatic upwards trend starting in the early 1980s levelled out after 2000 but that the number on this benefit are now over three times that on JSA. The latter part of this trend is complemented by data in Fig 7 which shows the growth of the long-term sick and disabled in the 1990s. It also shows the fall in the numbers who are inactive due to caring responsibilities, who are mostly women.

Fig 5: Employment rates, by gender and parenthood, 1974 to 2003 (from Work-rich and Work-poor (Berthoud, 2007))

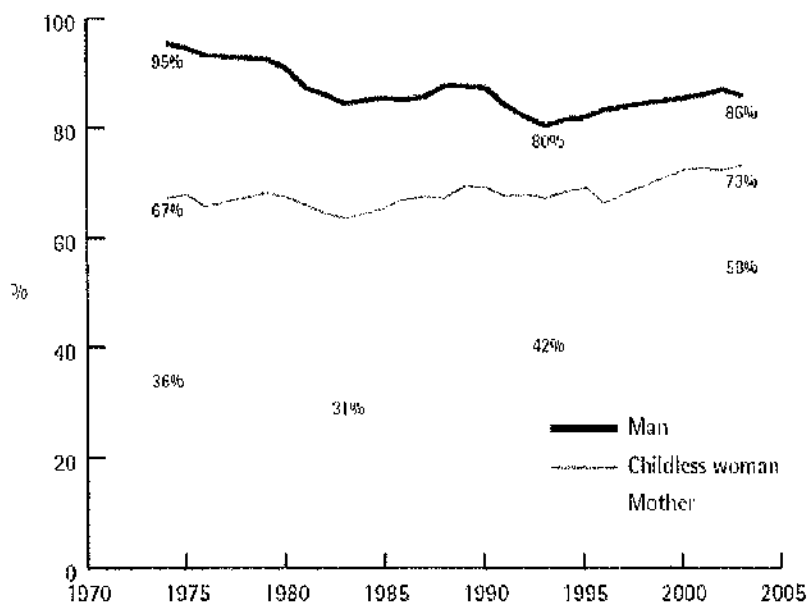


Fig 6 Working Age population claiming JSA, IB and IS for lone parents (from Reducing Dependency, Increasing Opportunity (Freud, 2007))

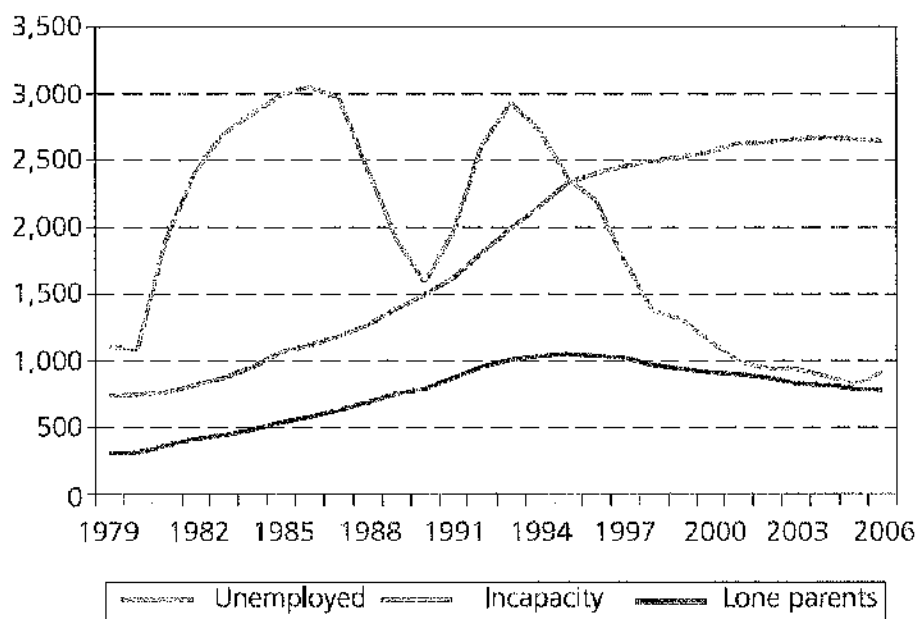
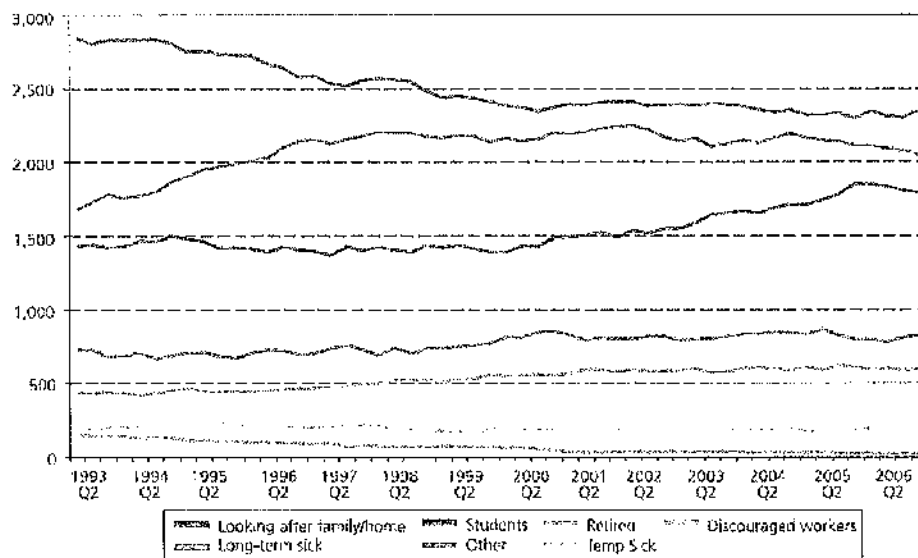


Fig 7: Reasons for inactivity (from Reducing Dependency, Increasing Opportunity (Freud, 2007))



5.9 Trends in worklessness amongst different groups

Combining the unemployed and the inactive gives all those without work, a rate of worklessness which is the converse of the employment rate. The number of households with no earnings trebled in the period 1975 to 1993 (Gregg, Johnson et al., 1999). Data show a concentration of worklessness in families (Bell and Jack, 2002) although there is in fact still a greater risk of worklessness for single people (Berthoud, 2003).

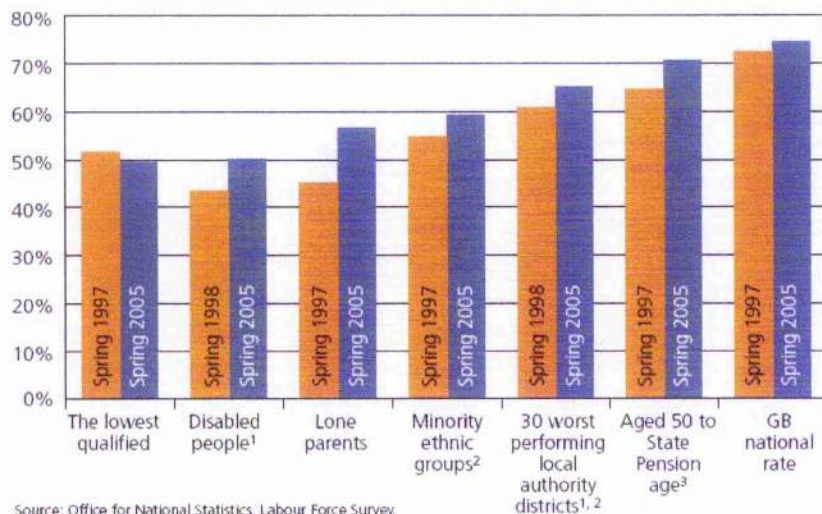
The differences between the trends in unemployment and inactivity are surprising and counter-intuitive - it might well be expected that as labour demand rises all categories of people out of work would fall, even if differentially, and vice versa - that a high tide raises all ships (Beatty, Fothergill et al., 2000). In fact a positive correlation between areas with high unemployment and high economic inactivity can be demonstrated, showing there is a linkage of both with labour demand. Webster has shown this across different labour markets at any given time (Webster, 2000a) - there is a high correlation between areas of high unemployment and high

sickness.

There are therefore two processes interacting – a pattern of difference between geographical labour markets in which high unemployment and inactivity correlate roughly, superimposed on a temporal trend in which the general relation between unemployment and inactivity was changing. Below this level these trends were reflected in different ways for different groups in the labour market. Fig 8 illustrates some of these, showing in particular that the trend for the least qualified was in the opposite, downwards, direction compared to the other groups.

What processes have reduced the numbers which are unemployed but also caused growing numbers of men move into inactivity? It can be supposed that rising demand has drawn the employable amongst the unemployed into work. This will also have drawn some of the employable amongst the inactive into work – or rather, since we are dealing with flows, increased the flow of this group into work. At the same time since the population has grown there must have been an increased flow into inactivity and/or longer average periods of inactivity. This requires an explanation.

Fig 8: Employment rates among DWP target groups (from A New Deal for Welfare (Department for Work and Pensions, 2006b))



Source: Office for National Statistics, Labour Force Survey.

Notes: 1 Data available from spring 1998 only.

2 Data are for a four-quarter average to spring of the year shown.

3 State Pension age is currently 60 for women, 65 for men.

A number of commentators have examined this issue and identified an increasing polarisation between work-rich households, in which both adults work; and work-poor households, in which no adults work. Berthoud has been able to identify a shift of employment opportunity away from men, particularly those without qualifications, and from the disabled; and in favour of women, particularly those who are well-qualified, and who are mothers (Berthoud, 2007). He ascribes this to partly to changes on the demand side (for example the growth in part-time work and a shift away from work which requires physical strength); partly to sociological factors (women are unlikely to go to work if their partners do not); and also competition: *"the entry of mothers into the labour market may have led more or less directly to the exit of poorly qualified disabled men"* (p.48).

There are of course multiple trends combined here and this explanation may need to be supported by further insights into the impact of changes in the nature of work. The following hypothesis is suggested here: the changing character of demand has raised the standard for qualification as 'employable', i.e. the requirements of employers have risen. This has rendered an increasing number of people with disadvantages in the labour market effectively unemployable – whether because they cannot do or sustain the kind of work which is now available; or because their poor prospects so discourage them that they rely on benefits. (The alternative hypothesis should be that the proportion of the workforce with disabilities or chronic ill-health has increased. Data presented by Berthoud from the General Household Survey shows that there was an upward trend from 13% of long-standing illness or disability in 1975 to 18% in 1996, fall thereafter to 16% in 2003 (Berthoud, 2007)). The sections below look at some evidence which relates to the question of how the requirements of employers have changed and their relationship to employability.

5.10 Industrial and occupational change – 'What employers want'

We have seen that the match between supply and demand, in terms of their character (for example in terms of skills and occupations) as well as their overall volumes, is important in explaining trends in local labour markets. This is a dynamic relationship which changes over time – supply, the workforce, adapts to the changes on the demand side, that is, changes in the needs and preferences of employers. Less obviously employers change their recruitment and employment practices, pay rates, locations and even the design of production processes in response to the labour available.

This section looks briefly at some evidence about labour market mismatch and skills shortages, their relation to employability and the changing demands of employers.

There are a number of ways in which mismatch between supply and demand can be expressed. All feature frequently in studies of British labour markets (Scotland, 2006):

- Skills shortages, These have been identified mostly at the level equivalent to S/NVQ 3 or above, that is for technical, skilled manual and managerial occupations. Manifested in unfilled vacancies and skills gaps in the employed workforce.
- Unfilled Vacancies There is a problem of unfilled vacancies in some occupations and in some localities. They can be caused by skill shortages – insufficient local supply of people with the right skills and qualifications, although that can also be caused by factors, for example wages and conditions.
- Skills gaps These are the instances of employers identifying that their existing workforce has not got sufficient skills.

Vocational skills shortages

Skills mismatch can result from changes on both sides of the labour market but often arises where technical or economic changes result in a surplus of skills for which demand has fallen and shortage of those for which employment is growing. Many authors comment on the scale of industrial change in the UK since 1980 featuring large-scale loss of manufacturing employment, a replacement of manufacturing and mining employment by service industries and rapid technological shifts.

The problems, disaggregated by industry, occupation and sociological groups have been recurring themes of analyses of the British labour market over many decades; and they are often situated in description of a national pattern which has been identified by some international comparisons as revealing a 'low skills equilibrium' within the British economy (Hogarth and Wilson, 2001; Institute for Employment Research, 2002; Leitch, 2006).

In this period there has been an upskilling of the workforce, reflected in the increase in the skill level required across the labour market and a decline in the number of jobs for which no qualifications are required (from 38.4% in 1986 to 26.5% in 2001). This change is however paralleled by a greater rate of fall in the proportion of the population with no qualifications (Institute for Employment Research, 2002). This may be paraphrased by saying that the labour market is becoming harder to enter even if the workforce is becoming more qualified.

Basic skills problems

In addition to these questions which concern vocational skills, it has also been identified that there is a problem that many in the workforce lack basic skills. These are defined on the Basic Skills Agency website as the ability to read, write and speak in English (or Welsh) and to use mathematics at a level necessary to

function and progress at work and in society in general. International comparisons again put Britain behind most of its competitors although the evidence suggests that improvements are being made (Department for Education and Employment, 2001; Futureskills Scotland, 2002; Leitch, 2006).

This proportion of the workforce without adequate basic skills appears to reveal that the educational system is at fault. The standard applied here is of course historically relative and is also related to labour market need. An historical perspective is therefore helpful here. There is evidence that in earlier decades of the twentieth century it was not regarded as a problem that a portion of the workforce had poor literacy (Crowther, Hamilton et al., 2001).

In fact it is not just the responsibility of the educational system – labour power is reproduced in the family; and community plays a significant role in creating a workforce which has the aspirations and qualities necessary for working and surviving in local industries. The attitudes and aspirations of the workforce are therefore conditioned by the experiences and struggles of the communities from which they come.

In this perspective, the question of mismatch in terms of basic skills is also one of adaptability – the capacity of the supply side to adapt to the changes on the demand side, in the context of dramatic changes in the balance of manufacturing and service industries; and the kinds of jobs in the former.

Core or Key Skills

The problem of poor basic skills is compounded by problems with core skills. These are defined on the SFEU website as *“those skills which have been identified as essential, both for individual development and for making progress in education, training and employment”* (Scottish Further Education Unit website). Other terms are used – notably, Key Skills (in England and Wales), transferable

skills, and generic skills (see below). The Scottish Qualifications Authority identifies its five Core Skills (Communication, Numeracy, Information Technology, Problem solving, and Working with Others) as *"the broad, transferable skills that people need to be full, active and responsible members of society"* (Scottish Qualifications Agency website).

These feature strongly in the discussion of 'what employers want' which have been a feature of the recent literature in relation to unemployment and measures for the unemployed – in particular those looking at the roles of agencies which seek to help get people into work, described as intermediaries since they have to meet the needs of both jobseekers and employers. Core skills feature highly in the list of qualities sought by employers and reported missing; and also those where they find significant deficiencies amongst the people they interview for employment.

Generic and life skills

The complaints of employers include that they consider applicants to be principally lacking in 'softer' core skills such as oral communication, customer handling and problem solving (Futureskills Scotland, 2002). This is a category of personal qualities and attributes which have not until recently been considered in labour market studies. The terms generic skills and 'life skills' have been used here (Pumphrey and Slater, 2002).

If taken at face value these are truly remarkable findings. That a significant portion of the workforce seeking work are judged by employers not to have the core qualities necessary to be able to work for them must reflect a serious social and economic problem.

Perhaps they should not be taken at face value. Is it really true that employers value the vocational skills necessary to do specific jobs less than core skills like team work or communications? Has this arisen because the need for job-specific

skills is assumed; or because they are needed less; or because core skills are needed more? Perhaps it is because the structures for producing core skills in workplace after leaving school have been eroded (e.g. within apprenticeships)?

This is a rich vein of future enquiry, provided a simplistic or excessively empiricist approach is avoided (e.g. believing uncritically what employers tell surveys). In particular it needs to appreciate the culturally relative nature of the categories being used; and their intangible, personal and contingent qualities. Take for example, self-esteem; aspiration; self-confidence; motivation. These are deeply dependent on the personality of the individual; their relation to the immediate social situation; and the way they cope with experiences; particularly negative ones. They differ from other 'labour market characteristics' in that they can often be 'unlearnt' as quickly as learnt. They can be themselves related to labour market situation – like experience of redundancy; and overall social circumstances like levels of unemployment and inequality. They may be related to problems of mental ill-health or experience of discrimination.

5.11 Relevance of skills mismatch to discussions of employability

Here it is only possible to present an array of questions, not answers; and to use them to inform a consideration of the implications of the issues above for discussion of employability.

It has been established that shortages of vocational, basic and core skills, and geographical and skills mismatches, influence job outcomes for individuals and in aggregate. Therefore using a broad definition of employability, it might be said that there is an employability mismatch. However this phrase is not commonly used – a Google search produces only two hits. Where employability is used to describe problems in the labour market they are more commonly defined in terms of employability *per se* rather than mismatch – it could be argued that most definitions embody the idea of match either explicitly or implicitly.

This seems to imply that the problem lies on the supply side – the characteristics of the actual and potential workforce do not match precisely the demands of employers. In turn the implication is that the burden of adaptation lies with the workforce – the problem is that they are not presenting with the right attitudes and skills. The one-sidedness of this approach is apparent from consideration that the mismatch can be shown to have arisen historically from changes in the pattern of demand

The Adaptability version of the term employability has the merit of recognising that the requirement on the workforce is to constantly adapt to the changing needs of employers. While it does not shift any of this burden it does imply that the problem is not just that job applicants have the wrong attitude or have not bothered to train – it is that they have to re-train and re-train again to keep in work (and keep their company in work). It is important in this context that individuals have a sufficient foundation for this lifelong learning. The Adaptability definition can encompass the basic skills needed for this as well as the willingness to do it (attitude).

This discussion illustrates the apparent merit of including elements of the demand-side in this concept of employability. The changing needs of employers clearly are relevant to the concept in some way. However it will be seen that this is as the standard against which the qualities of individuals are measured. Their employability does help determine whether they are in work since employers will seek to assess them against this standard. As these vary from occupation to occupation and from time to time, so will the usefulness of the characteristics of each individual – the standard varies in these ways. Where there is a shortage of skilled engineers, employers will take on even those with poor attitude. When a company or industry shifts from making products to selling, fitting and servicing them, the best workers, technically, may be passed over in favour of those who have better customer service skills.

For narrow versions of employability the issue is fairly clearly located within the context described in this section. For those definitions which focus on vocational skills the diagnosis and prescription is straightforward – increased provision and uptake of training in the skills required. It is not clear however that using the term employability here adds anything to that; except inasmuch as it may incorporate the insights in the match and adaptability approach as well.

For the narrow version which is about being job-ready and having the qualities which all employers want, basic and core skills are of direct relevance. The suggestion here is that low core and generic skills = low employability = an important factor in unemployment. While the identification of these issues has brought attention to a new factor in the determination of labour market outcomes the value of calling this employability hinges on this being a bundle of characteristics and issues which, so defined, has a unity and coherence which adds to the sum of its parts. Assuming it does, it is important to assess this by comparison with other explanations of labour market problems and outcomes, especially for specific disadvantaged groups. The next section looks more closely at the circumstances of disadvantaged groups which are concentrated among the economically inactive.

5.12 What jobseekers want – disadvantaged groups and barriers to employment

The previous sections have looked at some of the issues from the point of view of employers, whether the labour supply available meets their needs and what uses the concept of employability may have in that context. It has identified that the questions about the significance of employability relate to the inactive workforce as well as the unemployed. A further perspective is to look at labour market issues from the points of view of disadvantaged job-seekers, and of particular groups in the labour market. For individuals who have difficulty getting work, and groups of such individuals, what use does the term employability have in explaining the

problems which they face? And in prescribing solutions?

There are many ways of grouping these populations - an obvious set of categories to consider here are the unemployed and the economically inactive (even though these are constantly changing populations). Often the various populations claiming particular benefits are considered. These populations can be split into significant sub-categories, e.g. by gender and family status. Beyond these there are groupings according to other characteristics like gender or health status. An alternative view is to look at the positions of these different groupings in the labour by examining the proportions which are in work, unemployed or inactive; or the likelihood of members of such groups to have one status or another.

As regards the first approach there is plentiful data about the characteristics of the unemployed, the long-term unemployed and other groups like IB claimants, by comparison with the workforce in general. For example they are lower qualified and have poorer basic skills. They are more likely to live in social rented housing (HM Treasury, 2002). A number of studies seek to isolate indicators of the likelihood of being unemployed. One such by Berthoud shows significant correlations with the following factors: age, family structure, skill level, impairment, ethnic group, demand for labour (Berthoud, 2003). Another way of presenting the issues is to look at the risks of being unemployed (or inactive) for different groups (Van den Berg and Van der Veer, 1990; McGinnity and Hillmert, 2002; Green, 2006).

As regards discussion of groups which are disadvantaged in the labour market, there are some prior questions to be addressed about modes of categorisation and causality. Firstly, what groups are we talking about? The use of one characteristic or another to segment a population is a step which has great significance for the kind of analysis which follows. Even the simplest analysis pre-supposes some prior understanding or theorisation of the processes of labour markets and the choice of indicators may explicitly or more often implicitly follow from this.

For example an approach which is uninterested in disadvantage will not look for data about ethnicity and therefore not find racial discrimination. From data which does not include ethnicity one will learn nothing about racism in the labour market. At more detailed level, data which contains information about whether people are 'white British' or members of an ethnic minority will reveal that the latter more frequently suffer disadvantage in the labour market than the former. But unless it is more detailed the wide variation between different ethnic groups will not be revealed.

Since the analysis of disadvantage in the labour market may be limited by the data available; just as often the danger is that researchers will work with the variables presented by the main data sources. For example the study by Berthoud quoted above appears to do this – it contains no justification for the categories which it correlates with disadvantage except that they are those which are available in the datasets used (Berthoud, 2003).

Lastly, once a correlation has been found between a characteristic and poor labour market outcomes for the group which possesses it, this does not say anything about the cause of the correlation. It has been shown that one indicator of being in or out of work is possession of a car. Does this mean that many people can only afford a car when they are earning? Or that it is much easier to get a job if you have a car? Or both?

Another useful case in point is the treatment of age. Analysis shows that people aged over 55 are more likely to be unemployed or inactive than the average for all those of working age. Does this mean that the over-55s are a 'disadvantaged group'? Certainly age discrimination exists and has recently been outlawed, but how much of the higher unemployment and inactivity is caused by this? And how much can be explained by the greater concentration in this age group of people with chronic poor health or disabilities; and of people without qualifications? The counter-argument to the over-55s being a disadvantaged group is seen in the

many very well-paid people of this age.

5.13 The relevance of employability to specific target groups

The clearest conclusion of this discussion is that each writer should make clear their approach to definition of groups in the labour market – the categorisation which they use. This section of the thesis will draw on work done around the policies at local and national level to address the difficulties faced by specific policy 'target groups'. The approach used here therefore has a combination of theoretical and practical roots and draws on practical experience of the Capital City Partnership and Joined Up for Jobs (Capital City Partnership, 2002). The purpose here is to look at what hinders these groups entering work, in order to see if employability is a term which illuminates or obscures the issues. The groups referred to here are distinguishable by some characteristic which not only correlates with differential labour market outcomes, but also can be seen to play a part in a mechanism which causes these outcomes, or more specifically to the disadvantage which these outcomes reflect. Hence broadly the group has a shared experience of this problem (for example, ethnic minorities and racial discrimination).

In addition, their shared experience may also be one which causes a concentration in this group of other characteristics which are separate factors in, or account for, disadvantage. For example, ex-prisoners all have a shared disadvantage in that most employers will be wary of employing anyone who has been in prison in comparison with a similar candidate who has not; but in addition prisoners tend to be less qualified and are more likely to have an addiction problem – factors associated with difficulties in getting and keeping work. (Therefore also for the purpose of segmenting the inactive population analytically these groupings are of little use on their own since many people are in more than one category).

The section below does not purport to be a comprehensive review of the positions

of the groups mentioned. It merely illustrates the kind of problems faced in the labour market by disadvantaged groups – from the point of view of services which aim to help people get into work these are often described as barriers to entry to employment. In the case of each of the groups considered below, some evidence will be presented which confirms that they are at a disadvantage in the labour market. Some views of the reasons for this will also be presented. This is drawn from work done by the Capital City Partnership drawing on a review of a range of sources (McMurray, 2006).

The employment rate of lone parents (56% in 2005) is low compared to that for the workforce as a whole and for all women. Although a proportion of lone parents choose not to work, it is accepted that the main shared problem for lone parents are the availability and cost of childcare; and the difficulty of combining the roles of worker and parent. The attitudes of employers to taking time off to care for sick children may compound this. In Britain where the Working Tax Credit pays 70% of the cost of childcare (again within some limits) it could be argued that a further problem is the regulation which restricts that payment to 70%.

As regards physical disability the activity rate has been estimated to be 50% (see Fig 8) depending on how disability is defined and recorded. The assessment of the problems facing disabled people also depends on how the issue is treated. Traditionally the problem was regarded as the incapacity of the individual arising from their impairment (the medical model of disability). A more radical approach sees the problem as lying in the actions or inactions of a society which does not create the conditions in which the disabled individuals can use their abilities (the social model). This view considers that there is discrimination against disabled people which can be attitudinal as well as practical.

Whichever view is held in it would probably be possible to agree that the problems facing disabled people in the labour market include the absence of accessible buildings or aids and adaptations; and the attitudes of employers and labour

market institutions. There is an interesting debate to be had as to whether there is a distinction to be made in this respect between physical and learning disability. Without entering into this it should be noted that the model offered by supported employment identifies one of the requirements to help this group enter and sustain work as continuing support to the individual and the employer -- the limited availability of this service can be regarded conversely as a barrier to employment.

Ethnic minorities have a range of activity and unemployment rates. Inasmuch as these are generally below the prevailing average, the problems which they all share are racism and discrimination. There may be problems experienced by some ethnic minorities and not others. Language may be one, if we are considering a population of recent immigrants. In others cultural attitudes may have a significant impact on the employment rates of women in these communities.

A number of target groups, in policy terms, are defined by some experience or circumstance which they share. For example, recovering addicts, the homeless, ex-prisoners. Some of the problems which they face relate directly to that circumstance. Ex-prisoners have a criminal record which they often have to disclose to employers, who may decide not to employ them on that basis (sometimes justifiably, sometimes not). Homeless people need an address to be employed and have difficulty with reliability if they have no permanent home. Recovering addicts may need regular contact with health or drug treatment agencies during working time; or their medication may affect their capacity to do some kinds of work. All suffer stigma because of their circumstances, which might be described as discrimination if applied to other groups, for example ethnic minorities.

It is suggested that it is not often helpful to describe the specific problems shared by disadvantaged groups using the term employability. Wheelchair-users would probably be insulted to be told that the impossibility of getting into a workplace is an indication of their low employability; it would probably be seen as equally

inappropriate to tell a lone parent that the absence of childcare services is a problem of employability. This is because employability is regarded as a quality relating to the individual and these are factors which are external to the individual. However the ambition of the broad definition of employability, to encompass all the factors which affect job outcomes, would imply that it can include these factors. Undoubtedly the facts of being in a wheelchair, or of having sole care of children, do correlate with poorer labour market outcomes; the question here is whether it is helpful to describe them under the banner of employability.

This is not to say, however, that many people in these groups do not have problems related to employability, in the narrow senses. In addition to the specific problems shared by members of the group, it is also common that employability is an additional problem for many of them. For example recovering addicts and ex-prisoners normally do have problems in respect of such characteristics which are associated with narrow meanings of the term. The proportion of prisoners with basic skills problems is approximately 25% (McMurray, 2006). Many are addicts to drugs or alcohol. Both groups have high incidences of mental health problems and low self-esteem. These are linked to or combined in a state described by some practitioners as having a 'chaotic lifestyle' which in labour market terms means that they do not have sufficient structure, independence or self-control to function effectively as a worker.

To a lesser extent it is also true that such employability problems are common for other of the groups mentioned above. There is a higher than average proportion of lone parents who have no qualifications and poor basic skills, although this describes just a subset of the group - there are clearly lone parents who are highly qualified as well. It has been reported that many disabled people suffer from lack of self-confidence or low aspirations, and hence poor motivation, because they perceive the difficulties they face in getting employed to use the abilities they have - for instance because of the discrimination, the lack of facilities and the benefit traps.

It can be seen that, although lumping all the problems confronted by disadvantaged groups under the heading of employability is not helpful, it is still important to understand the degree to which employability is commonly an additional component of these problems. This depends of course on the definition of the term being used.

It would be arduous to trace the potential application of the various definitions of employability to the problems confronted by these different disadvantaged groups. The purpose of this section has been to see how useful the concept of employability can be used in this context and to prompt consideration of how it compares with a discourse about the barriers facing people and groups in the labour market.

The conclusion of this author is that distinguishing it from factors which constitute barriers which are circumstantial or external to the individual helps to clarify what specifically is useful in the concept. Many in these disadvantaged groups do face problems of employability though few groups are defined around these problems (the unqualified might be one). To say that x% of group y does not have the qualities needed to successfully compete for work in their local labour market is useful; these qualities may be bundled using one of the definitions. To say that most recovering addicts need help with time-keeping and self-esteem is even more useful. To define the problems of a disadvantaged group as a whole as to do with employability is not.

5.14 Conclusions – the weak relationship between empirical data and employability

The objectives set at the start of this section were: to shed light on the usefulness of different meanings of employability within labour market analysis; to find evidence about the importance of employability; if this evidence is not found, the tools for looking at the questions will be sought; and to seek causes of high or low

levels of employability.

It can be seen that discussion of the role of employability empirically is bedevilled by the confusions about its meanings. Notwithstanding this, and leaving aside the tautologies arising from the broadest of definitions, it is reasonable to state that employability can be both symptom and cause in the labour market, although the former argument seems stronger at aggregate level and the latter at individual level.

Inasmuch as it is a significant factor on the supply side, there is a premium on being clear what it encompasses, how to measure it and how to address it. Inasmuch as it is an outcome of supply-demand interaction it is vital not to endow it with excessive explanatory power. Perhaps it is best to focus not on potentially unresolvable debates about the meaning of a term which appears to have little analytical value; and instead to focus on practical matters, on improving employability as a guide to helping overcome legacy of social ills – not employability as explanation ?

In relation to the goal of full employment, this could be stated as follows: even though there will not be full employment without sufficient demand, there is also a need to address employability because there can be labour demand unmet because of deficiencies in the quality of labour supply.

It has been hard to find any great relevance of the broad definitions of employability in this discussion. If it can be measured and assessed it is not adequately differentiated from the outcomes which it might be supposed to explain. Narrow versions fare better although again it can be hard to distinguish them from the characteristics which they encompass or which are used as proxies for them. These definitions may help contextualise problems around basic, core, generic and life skills. The concepts found in the definitions which incorporate

match and adaptability have been found to have relevance to labour market outcomes. As regards the importance of employability it is evident that it is one of the issues facing those with difficulties in the labour market but it is rarely a defining quality of those groups. From an employer's point of view, for some groups in some circumstances it may however be the most salient.

Problems relating to employability, whether broad or narrow, can best be seen in the context of changing relationships between supply and demand – both in terms of quantity and quality. Low employability may arise from high unemployment; from changes in demand which render prior skills obsolete or insufficient and prior employment aspirations or expectations irrelevant; and from the processes which have driven the rise in inactivity and increased the exclusion of people and groups who already have disadvantages.

6 EMPLOYABILITY IN PRACTICE

6.1 Introduction

This section reports on a survey done in 2003 in Edinburgh and Glasgow into the use of the concept of employability in practice. It had two purposes. Firstly to help understand the concept and its significance better. Desk research has revealed that there is substantial uncertainty about what is meant by employability (see above). There are ambiguities in current definitions and contradictions between some of them. At the same time it is clearly a concept that is now in frequent use. Asking practitioners and policy-makers what they mean by it and why they use it can illuminate these questions and help refine practicable concepts and definitions.

The second purpose was to examine the practical issues relating to employability of jobseekers, and within provision and policy which promote that. Within a specific strategic context, the survey sought to find out what were thought to be the main problems relating to employability and the issues in implementing policy to enhance it. These findings are then related to the definitional issues.

It was expected that the survey would reveal a diversity of usages and perceptions of key issues and that a simple description of this diversity is of interest to the debates already outlined. In addition the pattern of responses by different categories of respondents within this diversity was also expected to be revealing from both a theoretical and a practical point of view. Respondents were asked to comment on questions from their own experience, and so describe diverse issues facing the groups of the population with which they were concerned. Furthermore, it is likely that respondents' location in relation to employability services may predispose to differing views of the more general questions about employability; or indeed to different theoretical or analytical positions concerning employability, the labour market and social exclusion. The survey was intended to examine this as well.

In summary the main hypotheses being tested were:

- Definitions of employability vary substantially along a broad–narrow spectrum.
- Perceptions of the importance of different constituent elements of employability vary substantially in a pattern which is influenced by the respondent's role in the labour market.
- The actual common use of the term varies between industrial or occupational sectors – in particular the extent of the inclusion of vocational skills in the package.

In addition to the survey results this section also presents and draws on the results of an invitation from Working Capital magazine to its readers to give their own views of the meaning of employability.

6.2 Local Policy Context

The policy context has been alluded to in the introductory section of this thesis. At the national level, in the year of the survey, the continuing supply–side emphasis of government policy was being expressed in the increased interest in the use of economic inactivity as a measure of success of welfare–to–work policies; and discussion of review redesign of the New Deals to respond to some of the limitations revealed by practice and evaluations. There was increasing discussion of the importance and character of what were variously described as key, core, or transferable skills.

At the local level in Edinburgh the context was provided by 'Joined Up For Jobs', which had been launched in 2002 by the City of Edinburgh Council, Scottish Enterprise Edinburgh and Lothian, Jobcentre Plus (then the Employment Service) and the Capital City Partnership. It was co–ordinated by the latter organisation, which is the city's social justice partnership, comprising, on its Board, the main statutory

agencies and community representation from the city's Social Inclusion Partnerships in Craigmillar, North Edinburgh, South Edinburgh and Wester Hailes.

The context for this strategy was that of a tight labour market, leading to concerns from some employers about the difficulties of recruiting to even low-skilled jobs. Unemployment, measured by the claimant count was at 2.3%; the ILO unemployment rate was 5.7%. At the same time it was recognised that there were large pools of social exclusion and economic inactivity: while approximately 7,000 were claiming JSA at any one time, approximately 35,000 were on so-called 'inactive benefits'.

It sets out a strategic view of access-to-work services in the city with the intention that they should be 'demand-led' and 'client-focused'; and that provision should be 'joined-up'. On the demand side the strategy stimulated a series of employer-led 'sectoral employment academies'; and on the supply side, it emphasised a focus on specific hard-to-reach target groups like homeless people and ex-addicts. This implied engagement with the front-line organisations which work with those groups at the point of crisis, and construction of pathways from exclusion to work.

Although subtitled 'Edinburgh's Employability Agreement', Joined Up For Jobs was not structured explicitly around this concept. The implication must be that employability provides a useful framework for this kind of policy. The strategy's attempts to give coherence to the pattern of provision in the city gives rise to the questions about the determinants of success in supporting people into work – not just at provider level but at aggregate (city) level as well. These are also the questions which are being examined in this thesis, and which are carried through into the survey's purposes, described above.

Implementation and development of the strategy is done through the Strategy Group, comprising the key partners already listed plus Careers Scotland and the Chamber of Commerce. In addition to these key partners which launched the

strategy, the providers in Edinburgh were drawn together into a network structured around regular meetings of a Partners' Forum. A significant outcome for this study was that there was in existence a network of organisations and individuals which were becoming familiar with debates around strategy and the issues which it was throwing up.

In Glasgow the situation was different. Unemployment was higher (4.7% JSA count; 8% ILO unemployment) and the pools of economic inactivity were larger both numerically and proportionately. There was no city-wide strategy in this field. The Glasgow Alliance, Glasgow's social inclusion partnership, did not play the same proactive role as the Capital City Partnership. Some efforts at co-ordination were underway through the Employers' Coalition, in fact an organisation funded to promote employer involvement in the New Deals. Jobcentre Plus was seeking to convene a welfare-to-work forum, but this was at an early stage. Later in the year Glasgow City Council launched its EQUAL Access strategy, initially focused on health issues and employment in the care sectors.

The contrast between the labour markets in the two cities had been a feature of the cities studies (Turok et al). This offered a potentially interesting contrast to the study of employability issues since it could be expected that at least the practical issues identified by respondents would be responsive to the labour markets within which they were working.

6.3 Methodology

In order to probe the uses of the term employability and the employability-related issues perceived by practitioners in these two cities, a questionnaire was prepared. A questionnaire survey was chosen for the following reasons. It was accepted that some of the questions to be asked would require respondents to think afresh and also interrogate their own experiences. This and the length of the questions would make telephone interviews unlikely to be effective. The ideal method for this might

be face-to-face interviews, although these may also inhibit the thinking requested. Alternatively, focus groups might bring out the kinds of differences in perspective which parts of the study sought to examine. These are however resource intensive and often hard to arrange because of their relative inconvenience to the respondent. It was unlikely that sufficient numbers would be conducted to generate a spread of responses.

A questionnaire survey can generate a substantial number of responses at little resource cost. This depends on the sample size and the response rate. The complex character of the matters being investigated would suggest a low response rate to be likely. To counter this a wide distribution would be needed. Existing networks within the two cities provided access to large numbers of people working in relevant capacities and coupled with electronic distribution, it was decided that the distribution of a questionnaire by this method was the best option within the resources available.

Design and drafting of the questionnaire

The drafting of the questionnaire drew on the desk research, in particular on analysis of the various definitions found in the literature and the elements of employability which they suggested. This is reported in section 2 above.

In summary, it can be shown that the term employability is given a number of meanings in academic literature and in practical use. These are sometimes complimentary but some are clearly contradictory. Overlapping these definitions is a very wide range of factors which are included by one commentator or another in the content of employability – that is, the factors which contribute towards an individual's employability or lack of it. Again there are stark contrasts here – for example over whether it includes or does not include vocational qualifications; or the availability of jobs in the local labour market.

Out of this reading of the literature, five strands of thought and five corresponding definitions of employability were extracted (see section 2.6). These were:

Wide:	having the core skills which all employers seek
Narrow:	the likelihood that you will get and keep work
Match:	one's match with actual opportunities
Adaptability	the ability to adapt to change
Skills:	having the skills needed

This formed the main analytical framework for the questionnaire (see appendix). (In addition, at the stage of data analysis of responses to open questions, it was necessary to use an analytical framework which draws upon both the attempts by Hillage and Pollard to unpick the elements of employability as they see it; and also analysis of the nature of barriers facing jobseekers).

Informed by this analysis, an initial draft of the questionnaire was prepared which included questions about the meaning of the term employability; its use by the respondents; common employability problems and issues; the role of employers and the problems facing providers and affecting the quality of services; and whether they used any tools to measure employability. It contained a mixture of yes/no/don't know and open-ended questions; which were intended to probe a mixture of theoretical and practical issues.

It was recognised that it would ask respondents to think about and respond to questions to which they did not immediately have an answer and therefore it would be more challenging and time-consuming than many survey questionnaires. To balance this, an effort was made to emphasise the practical relevance of the survey and its capacity to influence policy, in order to engage the motivation of the respondents.

A review of methodological issues was conducted. The short report of this in the

following paragraphs presents them according to the framework used in Moser (1958). Here he says *'The methodological problems of surveys fall into three broad groups: from whom to collect the information, what methods to use for collecting it, and how to process, analyse and interpret it'* p49. In relation to the first of these questions, the survey population was defined as those people who worked in the field of employability and access to employment in Edinburgh and Glasgow.

As regards the coverage of surveys, Moser categorises them as complete (all in the population), incomplete (a defined fraction of the population) or sample surveys. The latter is done when the survey population is selected by accepted statistical methods from the larger one. He warns *'If the survey results are to be generalised in this way, then the part of the population chosen for the study should be selected according to the rules of statistical theory. If it is not, inferences from sample to population cannot and must not be made rigorously'* p51.

He does add however that even if no claims of representativeness can be made because of failing to use these methods, results can be 'of undoubted sociological interest'. Because there was no definite list of the target population for this survey; and methods of getting a survey to all within it were undoubtedly unreliable; and there would certainly be a low response rate; this survey was planned on the understanding that it would not be statistically reliable but would all the same generate results of sociological interest.

As regards Planning Moser proposes the following elements, all of which were attended to in this case, although in retrospect greater attention should have been given to designing the questionnaire with the processing and analysis of the data in mind.

1. objectives and resources
2. coverage – define boundaries
3. collection of data
4. questionnaires

5. errors – anticipate sources of error
6. processing and analysis – editing scheme, codes, tabulation plans

Moser advises the importance of Pre-tests and pilot surveys. For the reasons given above, his comments about adequacy of sampling frame, variability within the population and non-response anticipated are not so relevant, but the question of suitability of method of data collection was given careful consideration. As regards adequacy of the questionnaire, this was addressed through a small pilot, following which amendments were made. Again in retrospect, this could have been more thorough and if larger in scale may have picked up some more of the differences in interpretation of the questions which made some of the data hard to use.

6.4 Processing the data

In addition, to draw on practical and methodological insights from colleagues, a workshop discussion was held at the Department of Urban Studies at which the intention to conduct the survey and an outline of the proposed method were presented. A number of useful points were taken on board as a result.

Firstly, as regards the number and pattern of responses, it was established that for the purpose of examining the content of the concept it would be sufficient to analyse the responses of the self-selecting sample which responded, although this would benefit from there being a spread of types of respondents. However for the purpose of comparing the responses of different types of respondent, an even spread across the groups would be necessary, and then significance tests would be required to show whether an observed difference within the population is statistically significant. If the intention is to draw conclusions about the views held by the groups in the population there would be a need for an examination of their representativeness which in turn needs, as a starting point, knowledge of the whole population of which the respondents are a sample then of the size of the populations. Furthermore some assessment of the sample's selection – how it differs

in respect of factors which may influence the character of the response – would be necessary.

Secondly, there is a trade-off between length of the questionnaire and response rates. Similarly simplicity of making a response and clarity of the questions will help increase response rates – conversely confusing questions will discourage replies and lead to unusable or unreliable data and gaps through selective non-response. Suggestions made in these respects included the use of tick boxes and Lickert scales (and alternatives like percentages or open scales).

Thirdly, a related and very helpful piece of advice was to check that the questions do test the hypotheses and will generate data in a format which can be used effectively. This was also clarified by the suggestion that uses and definitions of employability could be different either because they were contradictory; or compatible and complimentary within a broad meaning.

Taking these points into account, the questionnaire was simplified and reduced in size, leaving out a number of questions in the original draft to fit to a total of four sheets. Although tick boxes were used where possible there were a number of questions which necessarily had to be left open because the range of possible responses was too large and this range was in fact what the survey was trying to capture; and because there was no prior work to reduce that range down to a smaller, but comprehensive, and easily-understood set of prompts.

The questionnaire was piloted. About 30 people were sent it and 9 replies were received, which indicated that response rate might be a problem. This led to further simplification, e.g. by adding labels to the definition and shortening some questions.

Considerable care was taken to achieve clarity both in layout and in wording. For example, in question 2 (about which definition is favoured by the respondent) in consideration of the vagueness of the term 'employability' the respondent is asked

to choose between statements of the form "A person's employability refers to "having the core skills which all employers seek"; "the likelihood that you will get and keep work"; "your match with actual opportunities"; "the ability to adapt to change"; "having the skills needed". These are then supplemented by an explanatory question, e.g. "Are you job-ready - that is, having the minimum characteristics needed to get any work, probably at 'entry level' (e.g. literacy, numeracy, team working communication)"? It should be noted that even the form of the question was revised several times, to focus specifically on an individual's employability, rather than more abstract questions like 'what does employability mean'. The final questionnaire is included as Appendix 1.

Although the content of the responses will be presented later it is best to give some comment here on the questionnaire's effectiveness in dealing with the methodological issues raised above. There are three main points to be made.

Firstly the responses show that the questions asked were understood, since there were few corrections or other evidence of confusion; although some respondents chose to skip some of the questions. Secondly the merit of asking open questions was confirmed in as much as replies gave a wider scope of responses than would have been encompassed in closed questions with tick boxes. These were however the questions most frequently skipped.

Thirdly, some of the question turned out to have little practical use. In particular Question 5, which sought to probe attitudes to some of the more controversial issues relating to employability. The conclusion to be drawn from this was that although the reason for each question was set out and the ways in which it might be analysed were considered in advance, this had not been done carefully enough.

Lastly there was one critical area where the assumptions used need to be re-examined. Question 2 asked respondents to say which one of the definitions given they thought was best; which they also agreed with; and which they disagreed with.

In fact five people gave more than one 'best' and most people agreed with most and disagreed with few if any. It appears therefore that the differences or contradictions between the definitions are either not as clear as was thought at the outset, or not clear enough to the respondents.

In light of these points if the survey were to be repeated it should be amended at question 2. As regards the open questions the responses given have been grouped into categories and these might be the basis of simplifying the questions if the survey were to be repeated. These conclusions also tend to confirm the judgement not to issue it to employers at this stage.

Ethics approval

Ethical issues associated with the survey were examined and approval granted by the University. The submission stated "Although they will not be asked for personally sensitive information they may have reasons to wish that their employers or colleagues do not know how they respond to the questions. The confidentiality of the identity, records and data provided by participating subjects will be protected (unless there is a need for disclosure and prior agreement to this). We will normally prevent the publication or use of data in any way that could compromise the subject's confidentiality or identity."

Analysis methods.

A final observation is that questionnaire design needs to be done with the method of analysis of the data in mind. There are two aspects to this. The first is that outputs which are meaningful and amenable to assessment and manipulation must be generated. This is obvious advice, and although heeded it proves easier to try than to succeed – see the comments in the previous paragraphs. The second is to ensure that the outputs are not only easily read from the responses but that they come in forms which suit analysis by particular software packages. From the experience of

this survey SPSS, databases (Access) and spreadsheets (Excel) are each useful for different things and the planning of the survey should extend to taking this, and the form of output generated, into account.

6.5 Distribution and response rate

The overall population surveyed was those people concerned with employability of jobseekers, which included workers in policy and service delivery – managers, personal advisers and policy workers. In the broad policy context described in the introduction this coincides with those charged with delivering the welfare-to-work agenda. Although initially intended also to embrace employers, this part of the survey was not implemented, primarily for practical reasons relating to the difficulty in compiling a suitable distribution list. However the response rate achieved suggests that a different and more focused approach to employers would be needed.

The questionnaire was distributed by e-mail to named individuals in the relevant networks in Glasgow and Edinburgh, with the request that they pass it on to colleagues and return information about the number of colleagues who received it. This included Jobcentre Plus, the City Council and Scottish Enterprise in both cities; and mailing lists covering all or at least the majority of providers/intermediaries, as well as a number of organisations which work with specific client groups and have an interest in enhancing their employability and referring them on towards work.

The measurement of response rate hit a problem when it became clear that the method of distribution was not going to generate even an estimate of the number of people who received the questionnaire. Even though it is thought that most people sent it did pass it on, very few gave notification of this or the number of colleagues to whom they passed it. It is therefore impossible to estimate response rates in this way.

64 responses were received from Edinburgh and Glasgow. The number of organisations in which individuals were initial recipients of the questionnaire was approximately 100 in these cities. This figure includes some large organisations like the City of Edinburgh Council and Scottish Enterprise Edinburgh and Lothian; and one relative giant, the Employment Service, which employs managers and personal advisers. The distribution method made it impossible to calculate the actual number of people who received the questionnaire. An estimate of the number of people who may have received the questionnaire is around 500, out of a total estimated population of 2000 who were in the overall population which it was intended to survey.

If these estimates were correct, the response rate is 12.8% and the sample of the population was 3.2%. These figures, together with the absence of information about the factors contributing to non-response and the characteristics of the respondents in relation to the surveyed population, effectively render many statistical procedures unreliable. That is, it is impossible to draw conclusions with any certainty from the answers of the different groups of respondents about the larger populations from which they are drawn.

That said, there are sufficient responses, from a variety of categories of respondent and from both Edinburgh and Glasgow for conclusions to be drawn which are interesting and useful for both of the purposes set out above. However the data must be examined in the knowledge of their limitations from scientific and statistical points of view.

From anecdotal evidence, the reason for the low response rate was probably the difficulty which respondents found in answering, or at least the amount of time it required. However this is an almost inevitable consequence of the character of the issue being probed.

6.6 Analysis of respondents

The respondents fell into the following categories. There was an equal number of people working directly with clients (Personal Adviser/Service Delivery) and managers; and in both of these categories, somewhat fewer work for Jobcentre Plus than for other providers (mostly intermediaries). It can be seen from Table 1 that there is a difference in the composition of the Edinburgh and Glasgow respondents which needs to be borne in mind in analysing geographical differentiations in the responses.

Table 2: numbers of respondents by employment category

Type of respondent – working as:	Total responses	No. from Edinburgh	No. from Glasgow
Personal Advisers in Jobcentre Plus	15	4	11
Managers in Jobcentre Plus	6	5	1
Personal Advisers or service delivery in providers (intermediaries etc.)	10	7	3
Managers in providers (intermediaries etc.)	19	11	8
Managers in Policy/Funding bodies; or professional workers in any organisations	8	6	2
TOTAL	64	36	28

6.7 Results of the Survey

The structure of this report of the survey is in three sections. Firstly, the bulk is made up of an examination of all the responses taken together, in the following order:

1. Use of the term employability
2. The usages of the term employability
3. The content of employability in practice
4. Issues about employability services

Each of these sections consists of presentation of the data followed by a discussion of it. After this there is an examination of differences in patterns of response found when the respondents are broken into sub-groupings. Lastly there is a section which draws conclusions from this evidence.

6.8 Use of the term 'employability'

The large majority (89%) of respondents did use the term. Of the five purposes suggested the most common were 'for working with people seeking work' (61%) and 'for explaining what you do' (59%). It was used 'for thinking or analysing issues' by 50% and 'for working with employers' by 42%.

59% said that their organisation has a policy which deals with employability with 23% saying no and 8% not knowing.

Taken together these responses are perhaps more useful in describing the respondents than for reporting on the overall population surveyed. People who do not use the term would be much less likely to complete the questionnaire so we can conclude that the survey has selected a set of respondents who mostly do use or think about the term. Furthermore it demonstrates that it is used both for analytical purposes and in working directly with clients and employers.

6.9 The meaning of the term employability

This question posed five definitions of employability derived from desk research (see table 3 below) and asked respondents to say which they thought to be best. Respondents were also asked to say whether they agreed or disagreed with them,

the assumptions being that only one 'best' would be chosen but that others might also be considered compatible or satisfactory. The first assumption was unfounded – 5 respondents gave more than one 'best' definition; 10 gave no 'Best', of whom 6 agreed with all the definitions.

The responses reported below eliminate from the 'Best' scores the five who gave more than one 'Best'. The table shows the largest number preferring 'Wide' (40%), with 'Narrow' at 26%. However when the numbers who agree with each are calculated (summing all who give either a Best or an Agree response to a definition) this pattern is reversed with 89% being able to agree with Narrow compared to 81% agreeing with Wide. Majorities of two thirds were happy with each definition and few respondents disagreed with any of the definitions.

Table 3: responses to question about the definition of employability

<i>Definition Label:</i>	'Employability' refers to:	Best (T=59)		Agree (T=64)		Disagree (T=64)	
<i>Narrow</i>	having the core skills which all employers seek	15	25%	57	89%	2	3%
<i>Wide - Job Outcomes</i>	the likelihood that you will get and keep work	23	39%	52	81%	5	8%
<i>Match</i>	your match with actual opportunities	5	8%	43	67%	7	11%
<i>Adaptability</i>	the ability to adapt to change	6	10%	42	66%	8	13%
<i>Skills</i>	having the skills needed	8	14%	40	63%	6	9%

There are several interesting conclusions to be drawn from this, not least that the

assumptions and methodology used were inadequate for probing the current awareness of the content of the employability concept. Equally it can be concluded that the respondents as a whole did not see many contradictions between the definitions and, instead, most saw many of them as compatible.

It is not contended that all the definitions are mutually incompatible. Those relating to Match and Adaptability can certainly be seen as a different casting of the Wide definition, since they are not specific about content but do embrace a specific way of viewing the wide range of factors affecting whether someone is in work. However there is an important difference between Narrow and Wide, summarised by the contention that one can be employable (in the narrow sense) but not employed – on account of a number of factors like deficient demand, practical problems (e.g. absence of childcare) and barriers (e.g. discrimination) which are included in the Wide definition. Furthermore the Skills definition was included to test responses to a view which emphasised personal vocational choice, occupational specificity and technical skills, all of which are counterposed by many of the applications of the term in the literature.

Accordingly it is concluded that the responses demonstrate that there is substantial vagueness and confusion pertaining to the term as used in practice. It is suggested that this shows that respondents have probably not thought a lot about these particular questions before being asked in the survey – as was confirmed in writing and personal communication by a number of respondents.

The wide spread of meanings commonly applied to 'employability' was confirmed through a related exercise conducted through the magazine Working Capital (which is produced to promote awareness of the Joined Up For Jobs Strategy). A number of readers were asked to submit their definitions. A selection is given below.

At the Narrow end of the spectrum, referring only to core skills or personal attributes, are:

Possessing or having the ability to develop the key skills and personal attributes required to secure and sustain employment. These may vary across occupational sectors, but some will span all career areas, for example communication, problem-solving, basic IT, and literacy/numeracy.

Women Onto Work, which works with disadvantaged women returners.

"Employability refers to having the core technical and presentational skills, attitudes and qualities required to access and sustain employment".

ECSE Partners In Education, an organisation working with homeless people

Some add occupational skills to this (i.e. Narrow plus Skills):

"An individual mix of occupational and interpersonal skills, allied to attitude, commitment and confidence which makes a person attractive to an employer, and in equal measure make that person willing and confident to compete and participate in an open labour market."

Into Work, which works with disabled people

Others add industry-specific elements:

"Employability means enthusiasm, willingness to come to work every day and the right attitude. We can teach everything else, but we can't teach people to be nice to our customers – you have to have the right attitude for that. If you don't actually like people you're not employable at Schuh. Liking people, wanting to help our customers and enthusiasm are all we need – we'll teach all of the others skills".

Personnel Director, Schuh Ltd

Someone with an ability to be friendly and welcoming, a pleasant personality, to be able to communicate effectively with good language skills and the ability to use a common sense approach to working as a team and also on their own, without having

to be prompted all the time. We like our employees to Smile, Serve, Surprise and Surpass our customers' expectations.

Aitken & Niven Ltd (clothing retailer)

At the Wide end of the spectrum, an employee of the Construction Industry Training Board (CITB) has a broad approach which is of special interest because, from a specific industry, it demonstrates that the concept depends on the kind of work being considered.

"CITB, as the managing agency for the construction industry, expect our apprentices to be well motivated, have a good understanding of the trade they are following and able to demonstrate the skills required in that discipline, meet our selection criteria, have a good school report, be willing to travel, work in adverse weather conditions and have a willingness to progress academically and develop as an individual to achieve their potential to ensure that employment is maintained."

Construction Industry Training Board

In another industrial sector, there were supporters of both Wide and Narrow definitions:

Members of the Edinburgh Tourism Action Group define employability in a number of ways. To some it means the basic skills that someone brings to a job and whether they are relevant or suitable. Others feel that it involves wider issues including employment and social trends. Yet more people believe that employability is related to the whole spectrum of recruitment so that it includes the selection process (skills) through to induction and retention of staff.

Edinburgh Tourism Action Group

Other combinations are also given, e.g. Wide and Match:

The Edinburgh Cyrenians define employability as the development and acquisition of

skills, knowledge and experience, all of which help people progress towards employment or enable them to move into and sustain employment. These attributes are ones that are essential for employers in the workplace, but at the same time, help and support individuals in their everyday lives.

Edinburgh Cyrenians

Two versions of Wide give explicit emphasis to outcomes, with the latter referring to Adaptability:

Employability is having the knowledge, skills, attitudes and behaviours that significantly impact on the ability of an individual to access, obtain and sustain employment.

Scottish Prison Service

Employability for individuals is to enable them to enter and re-enter employment, to stay in work and to have secured better quality jobs. Help for individuals to sustain themselves in work through a capacity to upgrade their skills continuously.

JobCentre Plus

The conclusions which may be drawn from this exercise are 1. that many practitioners have given careful thought to the issues; 2. that they have come up with a wide spread of meanings; and that 3. the strands of thought identified for the survey (Narrow, Broad etc) have been applicable in practice in differentiating them.

6.10 The content of employability – the most significant employability problems

Question 4 asked about what problems most often restrict the employability of jobseekers. This was the means used to look at the content of the term employability, and the responses are also of practical interest.

In drafting the question, it was apparent that it could be taken to refer to either the problems of which the respondent most often has experience; or their view on the main problems across the entire labour market (whether defined as local/city/Scotland/UK). It was considered that not all respondents would be in a position to have or take a view about this wider question; and that this might discourage responses. Therefore it was decided to emphasise that the response would be from their own experience. This does mean that each respondent was not asked to comment on quite the same thing but it has the merit of avoiding ambiguity and allowing expression of the diversity which is one of the subjects of the survey.

Most respondents did answer this open question (88%). They were given no limit on the number of problems to be given and after similar responses were grouped together, a total of 22 problems were recorded. There was a high degree of overlap with the list prepared from examination of definitions in the literature (see above), taking into account that this looks at positive qualities whereas the survey responses referred to deficits and specific instances of such problems; but also some interesting additions, for example, self esteem and self-confidence and a significant difference in the weighting given across the spectrum (see below).

Table 4: responses to question about problems which restrict the employability of jobseekers

Factor mentioned	No. mentions	% of responses
Self confidence – self esteem	22	34
Motivation/attitude – fear –	19	30
Lack of skills and qualifications	19	30
Lack of work experience	19	28
Costs working/leaving benefit/hsing	14	20
Core skills – communication, wkg with others	12	19
Drug/alcohol misuse	12	19
Basic skills – Literacy and Numeracy,	12	19
Aims and aspirations	10	16
Criminal record	9	14
Employer behaviour*	9	14
Peer pressure/lack of role models	8	13
Appearance	7	11
Inability to grow/adapt, inflexibility	7	11
Childcare – care issues – lone parents	7	11
Housing problems	7	11
Financial difficulties/debt	7	9
Chaotic lifestyles/multiple disadvantage	5	8
Dependency from being LTU	5	8
Punctuality ETC	4	6
disability & mental ill-health	4	6
Travelling/transport	4	5

* Employer behaviour here includes: inc. racial discrimination, employer stigma of mental illness, lack of flexibility or supportive opportunities or adaptations for disabled, low salaries, perception of jobseekers

The factors listed in the table above were sufficient to group all the responses given, with a little interpretation – hence the length of the list, which then gave rise to the

need to further group them together. The problems cited were grouped together into categories which were informed by the different elements of employability suggested by Hillage and Pollard, although the actual grouping was allowed to follow the logical distinctions perceived within the responses. The four categories used are: Personal Characteristics; Skills and Experience; Circumstances and Barriers; and Employer Behaviour. Some explanation of these is necessary.

The groupings used refer to their relation to the labour market. The simplest to grasp refers to 'employer behaviour and attitudes'. Another fairly simple category is 'skills and experience' which describes what technical abilities can be supplied to an employer. Basic skills – primarily literacy and numeracy – were included here because they can be learnt and taught although they may seem a long way from technical vocational qualifications.

'Circumstances and Barriers' refers to those factors which may stop someone getting work even if they are 'job-ready' – like absence of suitable work; or of affordable childcare; or of facilities for disabled; and a number of issues around debt and the benefit system. There was some difficulty in considering whether drug and alcohol abuse and a record of offending should be included here because these certainly are barriers. However it was decided that they had more in common with the fourth category, 'Personal Characteristics'. This is perhaps the largest and least tightly defined category. What is described by each of the factors included here is something dysfunctional about the individual's relationship to self or to society or social norms, for example, Self-confidence and Motivation. Punctuality, attitude, appearance and inflexibility describe problems of the relation with others. There is perhaps less clarity about the inclusion of 'being long-term/third generation unemployed' or chaotic lifestyles but they are, it is contended, within the same broad category of 'Personal Characteristics'. Table 4 shows the composition of these categories and the responses split between Edinburgh and Glasgow.

Table 5: employability problems, grouped by category

Problem described		No. of responses			% of respondents		
		G	E	T	G	E	T
	PERSONAL CHARACTERISTICS						
1	Self confidence – self esteem	7	15	22	25	42	34
2	Motivation/attitude – fear	4	15	19	14	42	30
3	Core skills – communication, interpersonal, wkg with others	3	9	12	11	25	19
4	Punctuality, work ethics, attendance, reliability, timekeeping	1	3	4	4	8	6
5	Appearance	1	6	7	4	17	11
6	Inability to grow/adapt – inflexibility – poor at change	1	6	7	4	17	11
7	Aims and aspirations/lack of l.m. awareness and info /unrealistic expectations	2	8	10	7	22	16
8	Chaotic lifestyles/multiple disadvantage	1	4	5	4	11	8
9	Dependency from being LTU – 3 rd generation	3	2	5	7	8	8
13	Criminal record	2	7	9	7	19	14
14	Drug/alcohol misuse	6	6	12	21	17	19
		30	82	112	*	*	*
	SKILLS AND EXPERIENCE						
10	Basic skills – Literacy and Numeracy,	4	8	12	14	22	19
11	Lack of work experience	10	9	19	36	22	28
12	Lack of skills and qualifications	8	11	19	29	31	30
		22	28	50	*	*	*
	PERSONAL CIRCUMSTANCES						
15	Childcare – care issues – lone	2	5	7	7	14	11

	parenthood						
16	Housing problems	2	5	7	7	14	11
17	Travelling/transport	1	3	4	4	6	5
18	Financial difficulties/debt	3	4	7	11	8	9
19	Costs of working/leaving benefit/housing - benefit trap	11	3	14	39	6	20
20	disability & mental ill-health	2	2	4	7	6	6
21	peer pressure/lack of role models	4	4	8	14	11	13
		25	26	51	*	*	*
22	EMPLOYER BEHAVIOUR	1	8	9	4	22	14

* these figures are not given as percentages because an individual respondent may have submitted more than one of the factors in the category.

These categories can be related to the five definitions used in Question 3. Circumstances and Barriers and Employer Behaviour would be included in WIDE but not other definitions. Personal Characteristics are in the same territory as NARROW. The link between skills and experience and SKILLS is clear as well. However in view of the debate about generic skills it may be better to group Basic skills and Core skills separately, rather than in Skills and Experience and Personal Characteristics respectively, making five categories.

For an assessment of the prevalence of these categories in the responses and the extent to which respondents favoured one or other, the total number of responses in each category is given below, alongside the percentage who gave at least one of the problems in each of the categories, using both the four and the five categories. In both the largest number of responses falls in Personal Characteristics and the smallest in Employer Behaviour.

Table 6: employability problems, main categories, two versions

Problem described and code	No. of responses			% of responsss		
	G	E	T	G	E	T
PERSONAL CHARACTERISTICS inc core skills	30	82	112	38	57	50
SKILLS AND EXPERIENCE inc basic skills	22	28	50	28	19	23
PERSONAL CIRCUMSTANCES	25	26	51	32	18	23
EMPLOYER BEHAVIOUR	1	8	9	1	6	6

Problem described and code	No. of responses			% of responsss		
	G	E	T	G	E	T
PERSONAL CHARACTERISTICS	27	73	100	31	51	45
CORE AND GENERIC SKILLS	7	17	24	9	12	11
SKILLS AND EXPERIENCE	18	20	38	23	14	17
PERSONAL CIRCUMSTANCES	25	26	51	32	18	23
EMPLOYER BEHAVIOUR	1	8	9	1	6	6

6.11 Assessment of the results about content

There was a substantial overlap with the list of factors which contribute to employability prepared from examination of definitions in the literature (see above). However there is much more emphasis given to core personal characteristics and attitudes within the idea of assets (from Hillage and Pollard) than that concept might have been thought to contain. In fact a number of factors which feature strongly here are not found at all in the list derived from the literature review, for example self-confidence, aspirations. Furthermore the attention given to what Hillage and Pollard call 'deployment' and 'presentation' is slight relative to their posing them as two of the four elements of employability.

In terms of the content of the concept employability it can be concluded that for these respondents, employer behaviour and labour market conditions are given little attention even by those who believe these to be within the definition of the term. Personal circumstances and barriers also are cited infrequently except for those relating to the benefit system and whether work pays. Skills and experience feature in a majority of responses and all three factors in this category came in the top eight. Personal characteristics contributed the top two problems and were cited by 75% of respondents.

Put another way this represents a strong preference for those factors which are characteristics of the individual, some consideration of factors external to the individual which can hinder access to work and only slight attention to the behaviour of employers. When the latter includes discriminatory attitudes which could be seen alternatively as barriers, the case that the demand side of the labour market has little place in respondents' view of employability, or at least the main problems concerning employability, is clear.

The most striking point in these data for the study of labour markets is the strong preponderance of personal characteristics. It could be argued that this is partly a result of the grouping of a large number of problems in this one category. However the number which could potentially be shifted out, to Circumstances and Barriers, is small. The alternative is another category, for example 'social problems'. When this was tried it foundered on the difficulty of reaching a suitable definition which was clearly differentiated from the others. Either way this would not itself blunt the significance of this conclusion – that in the eyes of these respondents the largest set of problems concerning employability of jobseekers lies in their personal characteristics, larger even than their skills and work experience.

6.12 Why they like the term (or not)

Question 3 asked "Is employability a useful concept?" The number replying yes to this question was 47 (85% of those who replied) while 8 said No. This result roughly corresponds, not surprisingly, with the response to the first question about whether they use the concept, taking into account the number who did not respond here. The usefulness of the question however was that the reasons for this view were requested. Those given for a positive response have been examined for shared characteristics and while a distinction can be made between reasons given which cover the Process of helping people into work, the Outcomes or Goals for individuals, and the Content of the concept which makes it useful for these purposes, it is more important to note that there is a common core shared by most of these responses. Broadly speaking they all refer to factors relating to a process of change, moving towards either employability or, through that, to employment. This is illustrated by the quotations given below, with the respondent's type of employment given in brackets.

"Employment may not be a goal for our clients, so employability is a soft outcome"
(working with young homeless people)

"It focuses on getting and keeping a job, not the specific job" (Scottish Enterprise)

"It indicates that the goal is employment which helps And that there are a range of factors .. it's not simple - continuum or pathway" (working with mental health)

Some comment on the way in which the concept helps organize thoughts about the processes of helping people into work.

"Employability is useful in that it moves the focus away from vocational skill sets"
(City of Edinburgh Council)

"Most of what is wrong with the supply side can be couched in terms of employability" (intermediary)

Most demonstrate a holistic view of the individual in this process.

"Keeps issues which are relevant all in one category without diluting them" (drugs-related agency)

While the responses are compatible with each other at a general level, there are some sharp differences as regards specific content. One respondent likes the term because it allow a focus on a person's characteristics to be considered separately from the barriers confronting them – another likes it for the opposite reason – because it incorporates those barriers. Similarly, one likes it because it separates employability from the question of skill; another because it includes it.

Of the 8 respondents who said they did not find employability a useful term, most were working with people with learning difficulties and mental ill-health. Typical of the reasons given were:

"I try to consider everyone as employable as long as their support meets their needs"

"All my clients have the ability to work but many require support"

"The concept is not necessarily useful since it has to be defined, and if you do not fit it you are labeled as unemployable and face discrimination and disadvantage"

6.13 Issues about employability services

Problems and Needs in Employability Services

In the final questions respondents were asked not about employability but about the

employability services. 69% replied to a request to describe "the main problems hindering efforts to help jobseekers get work". This was an open question. The 60 problems identified in the responses were divided into subdivisions based on the author's own knowledge of the issues which had already arisen in the implementation of Joined Up For Jobs in Edinburgh:

- Problems in the funding and pattern of provision of employability services
- Problems to do with co-ordination, co-operation and information flow
- Problems related to the characteristics of the clients
- Problems arising from the benefit system
- Problems caused by employers

The largest number refer to 'funders and pattern of provision'. This groups together the comments that the provision available does not suit the needs of clients with those about the attitudes and policies of funders because, by and large, the former is determined by the latter. Half of these refer to the need for more support for people after starting work, to help them stay in work. Others refer to inappropriate types or inadequate resourcing of support for excluded or disadvantaged groups – for example, the need for longer timescales.

The next largest category is 'Benefit-related'. Here, one of the main issues identifies the benefit-work transition as inflexible and offering no security if a claimant leaves benefit but then finds he/she cannot sustain the job taken. The other is the difficulty of earning enough to make it worth some people's while to leave benefits.

Table 7: the main problems reported to be hindering efforts to help jobseekers get work

	Glas g	Ed	Total
Need more support on moving into work	2	9	11
Need for long timescales for excluded groups (cf ORF)	1	2	3
Not enough funds for 'core' employability services		1	1

Funds too narrow		1	1
'One size fits all' – generic solutions to specific problems	1	1	2
Unrealistic/unfair perceptions/expectations of decision-makers about jobseekers		3	3
Lack of resources		2	2
Need for more targeted resources		1	1
Insecurity of funding	1	4	5
Long hours and low pay of staff	1		1
Unreliable training and recruitment organisations		1	1
FUNDING AND PATTERN OF PROVISION	6	25	31
Not enough information sharing between intermediaries		1	1
Piecemeal and unsystematic approach to non – JSA groups		1	1
Coherence and co-ordination between agencies		5	5
More joined-up	1	2	3
Lack of trust between agencies		1	1
CO-ORDINATION, CO-OPERATION, INFORMATION	1	10	11
Lack of effective 'real time' L.M.I./what's in the job market	1	3	4
LABOUR MARKET INFORMATION	1	3	4
Literacy and numeracy	1	1	2
Skills for the jobs		1	1
Mismatch in labour market	1		1
Drink and drugs; Debt; Homelessness; Unfit	1		1
Working and signing on	1		1

Clients are demotivated; lack confidence	3		3
Clients are unrealistic about job goals	1		1
Low aspirations of clients	1		1
CLIENT-RELATED TOTAL	9	2	11
Not enough sanctions	1		1
Housing benefit pays the rent for you	1		1
High rents	1		1
Women can't earn enough to get children out of poverty	1		1
Benefit trap; benefits inflexible	5	1	6
Benefit to work transition, no safety net	2	4	6
Lack of affordable childcare	1	1	2
BENEFIT-RELATED TOTAL	12	6	18
Lack of employer involvement	1	5	6
Lack of employer-led job-specific training	1	1	2
Employer attitudes		1	1
Programmes not relevant enough to employer needs		1	1
Lack of on-the-job training/employers won't train		2	2
Give more support to employers		1	1
EMPLOYER-RELATED TOTAL	2	11	13
Attitudes of JCP staff (to young people)	1		1
Perception of JCP among jobseekers		1	1
Perception that low-paid work is exploitation		1	1
Need for quality jobs for motivation		1	1
PERCEPTION-RELATED	1	3	4
TOTALS	31	60	91

In all categories, there is a distinct difference between Glasgow and Edinburgh. In terms of numbers of mentions, and implicitly of importance, they are ordered quite differently:

Table 8: problems hindering efforts to help jobseekers, Edinburgh and Glasgow split

Edinburgh		Glasgow	
Pattern/Funding	25	Benefit-related	12
Co-ordination/information	13	Client-related	9
Employer-related	11	Pattern/funding	6
Benefit-related	6	Co-ordination/information	2
Perceptions of jobseekers	3	Employer-related	2
Client-related	2	Perceptions of jobseekers	1

It is not possible to relate these responses to the general questions about the 'meaning of employability. The term 'employability services' in the question is vague and begs the question of what employability means and anyway some respondents have interpreted the question more widely than it was meant – it is arguable that it is not appropriate to list the characteristics of clients as a problem hindering efforts to help them since those characteristics constitute the employability problems at which the efforts are directed.

6.14 Training and information needs

36% of respondents replied to the question "Are there information and training needs which hold back the quality of the service being supplied to jobseekers?" This was composed of 50% of the Edinburgh respondents (18) and 30% (8) from Glasgow – this is the largest bias in the response rate between the cities and means that the replies on the whole refer to Edinburgh.

The most remarkable of the replies was 'No'. The categories into which the others fell included improving the morale and skills of personal advisers; use and sharing of information; understanding of the policy context and the needs of employers; understanding of the needs of disadvantaged groups, including training relating to chaotic drug use, medical conditions, addiction and mental health; and techniques like in-work benefit calculations and solution-focused interview techniques. Again these do not have any direct bearing on the meaning of employability but they are of interest from a policy point of view.

Table 10: information and training needs holding back the quality of service

	GL	Ed	All
GENERAL			
Yes	3	1	4
No	1	1	2
Time for training		1	1
TOTAL	4	3	7
ADVISER-RELATED			
Front-line advisers are in the main poorly-trained and target-driven		1	
Client-facing staff are the least experienced		1	
Voluntary sector often unprofessional	2	1	
Staff: Morale; Ambition; Enthusiastic, experienced and knowledgeable, away from deficit model to motivation and aspiration	1		
TOTAL	3	4	7
INFORMATION AND CO-ORDINATION			
Use of labour market information		2	
Information about the full range of services	1	5	
Referrals between agencies		1	
Share good practice and research		1	

Time for information sharing		1	
TOTAL	1	10	11
CONTEXT			
Training on policy context		1	
Nature of partnership working		1	
Input from employers		1	
Support to employers		1	
More information about sectoral needs		1	
Knowledge of private sector		1	
TOTAL	0	6	6
CLIENT-RELATED			
Psychology of self-esteem, efficacy and motivation; and of unemployment		2	2
		2	2
Holistic approach, all the difficulties faced	1		1
Attitudes to clients/young people (JCP staff)	1		1
Training in chaotic drug use, medical conditions	1		1
Addiction and mental health		1	1
Access to non-JSA clients			
TOTAL	3	5	8
TECHNIQUE-RELATED			
In-work benefit calculations		1	1
Interview techniques - solution-focused	1		1
TOTAL	1	1	2
TOTALS	8	26	34

6.15 Responses from Glasgow and Edinburgh

There were some notable differences in what was said by respondents from Glasgow and Edinburgh on some topics. Glasgow respondents were more likely to refer to difficulties arising from the financial implications of leaving benefits and entering

work, and difficulties within the benefit system. This probably is not surprising since attention has been drawn by Glasgow City Council to the implications of the high rent levels in social housing in that city, which impact on the level of wage income needed to make jobseekers better off in work than on benefit (through withdrawal rates of Housing Benefit).

Edinburgh respondents were more likely to mention problems relating to the patterns of funding and provision; and, in describing employability problems, to mention Personal Characteristics and Generic Skills, as opposed to a greater emphasis on Skills and Experience and Personal Circumstances from Glasgow. It is possible that these differences arise from the differences in the jobseeker populations. Edinburgh has low unemployment and so the attention of services has been more focused on the needs of more disadvantaged groups. With higher unemployment, Glasgow had more 'traditional' unemployed, claimants of Jobseekers Allowance not IB or IS. This might also explain the larger emphasis from Edinburgh on the response from employers (for whom it might be expected that JSA claimants in Glasgow present few fundamental problems).

These are perhaps only plausible suggestions as to the reasons for the differences in responses from the two cities, which reflect known differences. They are also a reflection of the differences in the composition in respondents – the Glasgow respondents include more JCP Personal Advisers; the Edinburgh respondents include proportionately more JCP Managers, Personal Advisers in Intermediaries/service providers, and people in policy/funding organizations.

There is more difficulty in explaining the high proportion of respondents from Edinburgh who cited problems relating to co-ordination and co-operation. There is no reason to believe that services are less well co-ordinated in Edinburgh or that organisations co-operate better in Glasgow. In fact it is likely that the opposite is the case. Joined Up For Jobs had been operating as a city-wide strategy in Edinburgh for some years before moves in a similar direction were established in Glasgow.

Anecdotally it can be reported that a number of people who work across a number of geographical areas have commented on the advantages for Edinburgh of a clear strategic framework within which individual organisations can position themselves; and that this promotes joined-up working. The results reported here may perhaps be a perverse consequence of the awareness of Joined up For Jobs and the issues which it addresses, and dissemination by Working Capital, the magazine of Joined Up For Jobs.

6.16 Employers' Role in Improving Employability

Respondents were given a list of roles which employers might play in helping deal with employability problems and asked to say of which they had experience; and then to choose the one or two in which they think that increased employer activity would be most helpful.

The results are given below. Over half (53%) said they would most like more employer effort at removing unnecessary recruitment barriers, and 36% would most like employers to do more in terms of recruiting people from excluded groups who need support into work. It is interesting and probably positive that 58% and 41% said that they had experience of these activities respectively.

It could be argued that these responses run counter to the conclusions drawn in the previous section -- that employer behaviour has little place in respondents' view of employability. However, while inconsistency does seem to be a feature of some of the responses (see below) it is more the case that here respondents are commenting on what employers can do to assist people who are perceived to need assistance because of their low employability.

Table 11: responses concerning roles of employers

	Activity	Experience of	Would most like
1	dialogue with employment-related services about employability	28	10
2	providing work experience for jobseekers	38	17
3	recruiting people from excluded groups who need support into work	35	22
4	removing unnecessary barriers in their recruitment processes	24	32
5	developing the employability and careers of their workforce	13	14
6	mapping out progression routes in work	19	10
7	taking on people who are employable but without job-specific skills	24	20

6.17 Responses Analysed by Groups of Respondents

As would be expected, there are variations in the data between different categories of respondent. Some of the differences between Glasgow and Edinburgh have been reported above. In addition to location, three categorisations of respondents were used to examine difference in the pattern of responses: Jobs; Organisation and Type of Respondent which is a combination of the above two categories:

- JCP Personal Advisers (PAs);
- JCP Managers;
- Provider Personal Advisers/Service Delivery workers;
- Provider Managers; and
- Policy development and Funding.

This latter includes managers working in Policy and Funding organisations plus

anyone else who describes their role as policy development. There was a small residual category of 'Other'.

While there was a sufficient spread among the respondents to generate groupings in each category, any such subdivision of 64 respondents will produce fairly small sub-samples so the differences between them have to be large to be even potentially significant statistically. For this reason, and because of the large volume of data generated by even simple cross-tabulations, the reporting method used here is to highlight only the most notable differences in replies to each question generated by any of the categorisations. The most noticeable distinctions arise between Edinburgh and Glasgow, between Managers and Personal Advisers, and between JCP and other intermediaries.

Personal Advisers in Jobcentre Plus were unlikely to mention Self-confidence, Motivation and Core Skills, while 33% of JCP Managers mentioned self-confidence; and Provider Personal Advisers were the most likely group to mention these factors. The other main difference within JCP was that the 47% of the JCP Personal Advisers mention Lack of Work Experience but none of the Managers do.

As reported above there are also noticeable differences between Edinburgh and Glasgow. Respondents in Edinburgh are more likely to mention the three main Personal Characteristics problems (Self confidence, Motivation and Core Skills): 42%, 42% and 25% compared with 25%, 14% and 11%. This is probably partly a result of the higher proportion of JCP Personal Advisers in the Glasgow sample.

The differences described above are less noticeable when the scores for all problems in each of the categories are summed; and when respondents giving at least one problem in each category are counted. The main feature here is the difference between JCP Personal Advisers and Provider Personal Advisers. The former score low on Personal Characteristics and Employer Behaviour and high on Lack of Skills and Experience and Circumstances and Barriers; while this pattern is reversed for the

latter.

The section above has highlighted the largest variations from the overall average responses. Their significance should not be exaggerated, since most of the variation in describing key factors within employability may be explained as resulting from the expected differences arising from the different jobs of the respondents, which the survey wanted to reveal. However it is fairly certain that some interesting differences are revealed, in particular between JCP PAs and JCP Managers; between PAs in JCP and other organisations; and between Edinburgh and Glasgow. These could be subject of further study.

6.18 Conclusions: Assessment of Results of the Survey

The findings of this survey provide interesting evidence relating to the meanings and uses of the term employability within the group surveyed.

Firstly, the results have demonstrated fairly conclusively that among people who use the employability concept every day there is no agreement on what it means or its content. There is ambiguity, contradiction and un-clarity; albeit within a broad consensus about the territory within which its meaning can be located. For example, for some skills are an important component of employability, for others it is important that they are not included. Similarly for barriers in the labour market for specific groups.

The responses about definitions present this most starkly. The large majority agree with a narrow 'supply-side' definition, describing the minimum characteristics needed to get work; and *also* a wide 'labour market' definition which encompasses the demand side and everything else in between. In fact a majority agree with all of the definitions.

Secondly, the responses about the most important employability problems give an

insight into what respondents regard as pressing practical issues, rather than an abstract concept. While they present almost as much diversity they do offer a qualification to the degree of confusion presented as regards meaning. Here there is a strong preference for supply-side characteristics, ranging from self-confidence to vocational skills. There was some attention paid to the circumstances and barriers faced by different groups of people, many of which are also supply-side problems although they do not reside in the characteristics of the individual. The number of responses referring to employers and the demand side small – so small that this imbalance cannot be coincidental. Perhaps the most remarkable aspect is the strong preponderance of very basic personality characteristics like self-confidence and self-esteem. This was not anticipated from examination of the previous literature on employability.

Thirdly these perceptions by practitioners, some dealing with jobseekers on a daily basis, surely tell us something quite startling, about a society and its culture which generates a layer of its population who are held back not (just) by lack of skills but about how they relate to themselves and society. Furthermore when taken together with the substantial concern about poor literacy and numeracy, and with reports of employers complaining in surveys about the basic skills of people they interview from school etc. they point to a severe social problem – that is, a problem of the functioning of society.

These comments need to be qualified by the understanding that the perceptions of respondents cannot be assumed to offer a precise and accurate description of reality. It is also important not to conclude that the problems they describe are root causes. Even if they do have direct effects for individual's labour market outcomes they are clearly also symptoms of larger processes. These are characteristics which are culturally relative – our communication skills can be perceived quite differently (and be quite different) in different milieu. They may be generated both by the individual's perception of his/her place in society; and in response to a specific situation (e.g. the employment relationship; or the job interview). Furthermore it is

not clear that they could be tackled head-on. For some people in some circumstances, a feeling of despair and worthlessness may be quite realistic. Encouraging them not to feel like that may be less effective than finding them a job.

There is a further way in which the descriptions of the perceptions of these respondents cannot be assumed to describe reality. There is rarely any mention in the literature, or in the responses, of ability or productivity. This is despite the predominant theoretical model being one which explains that people who are least able to work productively are the most likely to be workless. Even the contesting paradigms do not deny that employers seek to select on this basis.

Fourthly there is an expected variation in the employability problems presented because of the spread of professional interests of the respondents. These variations between and within categories of respondent are of interest in themselves and could provide a foundation for looking at different perspectives amongst employability practitioners. They demonstrate that this is a term which can be given different meanings according to one's place in the pattern of provision. The differences between Personal Advisers and Managers (particularly within JCP) about what are seen as the main problems are sufficient to prompt the question of whether the use of the term employability is a tool to enhance confusion or clarity. However the diversity itself does add to the understanding of the content of this concept. For example it is clear that the content of employability can vary between industrial sectors. It also has different significance for different disadvantaged groups.

There are significant differences between Edinburgh and Glasgow. Whereas these do reflect particular problems identified elsewhere, care should be taken in assuming that a reported difference does reflect a real difference in the labour market. A case in point is the response to the question about problems within employability services. Many more respondents in Edinburgh referred to problems relating to co-ordination, co-operation, funding and the pattern of provision. Anecdotally, few people would report that these were less problematic in Glasgow. The interpretation

might be that more awareness of these issues has been generated in Edinburgh by the existence of a policy framework in which they can be aired.

From the above it is concluded that the survey provides evidence which confirms the hypotheses set out in 6.1

7 CONCLUSIONS

7.1 Discussion

The survey reported here confirms, and adds some insights into, the confusion about the meaning of employability which was established from the literature review. In making sense of the confusion some help can be found in the survey responses of those who said why they found the term useful. They mostly referred to process – towards employability, as a staging post; or towards employment. Abstracting from these responses, it is feasible to suggest some of the elements which make employability a popular term. For these respondents

- It is about work as the objective and constructing the pathway to it.
- It is holistic, taking into account the needs of the individual in constructing that pathway.
- It is relative – to the chosen industry, to labour market conditions and, in a competitive market, to other people.

It can be added that on the whole it is about the characteristics of individuals, and their circumstances. These are all very useful things to understand for the process of getting into work. Although these are rarely found stated in the definitions it may be that they explain why it is used so much.

We have seen from a number of the preceding chapters that the confusion relates in part to where definitions of employability are located within a spectrum of factors which determine outcomes for individuals and groups in the labour market. Some definitions include all of these, including the volume and character of local labour demand. Others are solely on the supply side, relating to the characteristics of individuals; but within this can be narrow or broad, and can focus on different characteristics. Other aspects of some more dynamic definitions are the emphasis on adaptability and on matching with current patterns of demand. These add insight but also add to the confusion.

This prompts the question 'Is employability a contested term or just a confused one?' A contested concept is one over which, within an overall territory of meaning, different interests or schools of thought argue for interpretations or specific meanings which carry implications in theoretical or policy terms. Contests over employability might be traced through looking at its use in debate about what to do about unemployment over the last two decades. These have been characterised by both high and low levels of unemployment, and also rapid changes in industrial and occupational composition of the workforce.

The dominant theme seen in the critical literature is the use of employability as a vehicle for a supply-side view of labour market problems which "blames the victims" – low employability being presented as the cause of high unemployment. This is set against the view of unemployment prevailing at the start of the 1990s as being caused by macroeconomic factors and therefore experienced by the unemployed as a crisis of which they are victims. It is complemented by a literature which analysed the barriers to work experienced by different groups affected by unemployment.

A further facet of this debate is seen in the discussion about what to do for the unemployed. From the 1970s onwards government programmes had emphasised either skills training (TOPS, Employment Training) or work experience (Community Programme). The concern with skills corresponded with a number of strands of thought including the wish to invest in the unemployed, but primarily that the main factor which would help unemployed workers compete in the labour market was skill. This could and did complement an awareness of the changing skill needs of industry. The theme of employability accompanied a move away from skills training to enhancing employability, often simply through measures to improve jobsearch and c.v. writing. The New Deal introduced by the Labour Government embodied much of this approach, with little emphasis on training and more emphasis on 'work first'.

Although often viewed negatively by practitioners and commentators, this theme was however underpinned by a valid critique of many training-based programmes –

essentially that the training was of poor quality and did little good for the trainees, of whom many had a range of needs in addition to lack of relevant skills (although this critique was not valid for some of the smaller-scale programmes run independently of central government). In this regard it can be seen that the holistic quality of employability can underpin a sensitive response to the specific barriers faced by disadvantaged groups; and the need to adapt to change. However even in this context there are many who regard the key issue as not the employability of the group but the socially constructed barriers which they face.

These are perhaps the key debates in which employability has figured. Within these there has definitely been a contest about the importance of employability, within broader debates about the causes and solutions of unemployment and disadvantage. The discussion sections of the chapters of this thesis suggest that the concept has been used carelessly to support the supply-side arguments, even when clear evidence is available that demand-side changes have been dominant in creating problems of unemployment. This has of course been seen to support the prevailing neo-liberal current in policy, based on the prevailing neo-classical current in theory.

If there has been in addition a contest about the meaning of employability as well as its importance then it has not been structured or coherent. Hopefully this thesis starts to present a coherent framework for such a debate. In the meantime the diverse and critically untested meanings and uses of the term continue to create confusion. For example, the existence of conceptions of employability which either emphasise skills or exclude them may demonstrate a contest but it is just as likely that this is better described as careless thought. Confusion can also be seen deriving from the perhaps noble but misguided attempt to recognise the importance of demand-side factors in labour market outcomes, and so to incorporate far too much within the concept of employability itself – as in the Hillage and Pollard definition. This is compounded by the diversity of issues pertinent to different groups and different industrial sectors.

Another source of confusion has been the use of the term at times to refer to the overall territory concerned with helping people into work; and at others to refer to some more specific problems, often employability skills. This has also allowed an elision, between the two meanings, a moving between them, in which the greater clarity of the latter can be harnessed to give greater credibility to the former.

All of these circumstances have combined to make it hard for academics to give the term a useful role in labour market analysis, hence its limited use in the empirical literature and absence from labour market theory. It is also hard to find consistent reference to it in UK government policy. Its usefulness to practitioners is notable in this context. It may be that there is something to be learnt here by the academics and policy-makers – for example the academic community may wish to focus more attention on the theorisation and analysis of the processes which the practitioners are involved in; the policy-makers may find it useful to clarify the understanding of the tasks related to employability and so provide a more coherent remit to the practitioners. If so we should return to why practitioners find it useful to inform the conclusions of this thesis.

2.2 Conclusions about employability

For the concept of employability to be useful, invoking it in discussions about access to work must add something specific. Statements such as “This person has the skills needed but he will need to improve his employability if he is going to get work” or “as well as the availability of childcare, employability problems are a factor which hinder many lone parents getting into work” should be clearly understandable and lead to particular policy conclusions. It has been argued at a number of points in this thesis that the broad definition of employability fails this test and that prescriptions derived from it are tautological.

The dangers in the broad approach are threefold:

- It obscures the understanding needed of all the relevant factors by clumping

them together under one title, which despite its supposed breadth, clearly implies supply-side emphasis on the characteristics of jobseekers.

- It therefore marginalises explanations of labour market disadvantage which emphasise factors like discrimination and structural barriers;
- It confuses the insights which may be gained from appropriate attention to the narrower focus on jobseekers needs and characteristics.

The broad approach implies endorsement of an employability agenda on labour market problems. While formally the broad definition of employability includes demand-side factors, in practice employability policies focus on the supply-side, for example supporting and activating or coercing individuals. This approach therefore obscures the place which measures like removing recruitment barriers to disadvantaged groups can and should have; and ignores the evidence of significant jobs gaps in some geographical areas (Turok and Edge, 1999; Alliance for Regional Aid, 2000; Green, 2006). It therefore implies that the only task of labour market policy is to help or require the workforce to make themselves employable and adaptable to the wishes of employers. In this way employability has been used as an allegedly neutral proxy to cover up issues which do not conform to the currently orthodox policy prescriptions.

On the basis of insights available from this study, a specification of employability can be presented:

- 1 It relates to the characteristics of individuals
- 2 It should be distinct from other identifiable characteristics like skills and experience; and from labour market structures like discrimination
- 3 Its content is determined relative to the needs of employers – the demand side of the labour market – and its value is relative to that of others
- 4 Its content can be sector specific – what makes one employable for a retailer would not do so for a building company
- 5 Specific disadvantaged groups may face particular challenges in relation to employability (consider for example people with learning difficulties or alcohol

addictions).

The meaning which best fits these requirements is the narrow one which can be summarised as job-ready – being able to work. The argument for this is set out below.

The case for a Narrow definition

This author advocates reverting to original meanings and adopting a definition which refers to whether an individual is employ-able, that is, capable of being employed.

This narrow meaning encompasses firstly those characteristics without which an employer cannot employ the individual, like reliability, time-keeping, compliance with instructions, motivation, willingness to learn; and secondly those which are regarded as desired by all employers, of which common examples are team working and customer orientation. The former may be considered to apply in all circumstances, the latter more relative to nature of the demand: although they may be needed for most jobs nowadays, one can think of jobs which don't need one or other and also of times when they were less needed.

The narrow definition corresponds to the ideas of bringing labour power to the market (Freedman, 1961). It also relates to those of an effective labour supply and the corresponding idea of an ineffective labour supply which describes, for example, people who may potentially be able to work but for a range of reasons may be un-employable in most circumstances. The issue of motivation can be used to illustrate this concept: an individual on Incapacity Benefit who lacks motivation to work is not available to employers whereas those with that motivation are. Similarly an individual who is on JSA and therefore required to undertake jobsearch may formally be available to employers but if s/he is not motivated to work then they will remain unemployed. Both have low employability for this reason and neither is part of the effective labour supply.

This narrow definition also corresponds roughly to the term 'job-ready' used by employability practitioners (Employment Service, 2002). It can encapsulate the issues revealed in the survey mentioned above, and other literature, about the significance of core characteristics like motivation, self-confidence, self-esteem and basic communication skill; and to the reports from employers of job applicants who lack these qualities and whom they regard as 'not employable' (Workforce One Ltd. 1999; Futureskills Scotland 2002).

Adopting this narrow definition, rather than the broad one which includes all possible factors, allows a sophisticated debate about differential access to employment opportunities. It permits employability, so defined, to take its proper place alongside other factors like skills, circumstantial barriers, employer attitudes and the character and quantity of labour demand in analysis of what helps and hinders people getting work. It avoids confusing employability with actual outcomes as regard employment – yes, one can be employable but not employed.

Furthermore it explains why people who work with disadvantaged groups often refer to employability as an intermediate goal between labour market exclusion and employment (Effective Interventions Unit, 2001a). It allows examination of the specific issues about those people for whom the capacity to sustain any job is in question; and also the relative importance of these issues for different disadvantaged groups.

A Wider View

As noted above, employability is a relative term and is meaningful only in relation to demand. In the framework given here it can therefore be construed as a description of labour supply or jobseekers from the demand side or an employer's point of view. Employability policies are about ways of getting the supply of labour to match the demand and adapt as this changes.

Looking conversely at the demand side of the labour market, there has been plenty of consideration about how to influence its quantity and location. The perspective of looking at this from the job-seekers point of view raises in addition the question of the character of labour demand – for example the level of skills needed, rates of pay, the hours and conditions of work and other requirements made of workers. It asks whether there are the jobs available which can be filled by those who are unemployed.

What terms are used to describe this reverse perspective – the jobs and vacancies available from the jobseekers point of view? They might be the fillability of a vacancy; or the accessibility of jobs. These have not been encountered in the literature reviewed for this article; but the perspective can be seen in the social model of disability which sees the low levels of employment of disabled people as caused by social practices which fail to give access to work of which they are capable (Huang and Rubin, 1997).

This approach may help consideration of the causes of the growth of economic inactivity and claims of Incapacity Benefit in the recent periods of employment growth and falling unemployment (Department for Work and Pensions, 2002; Nickell and Quentini, 2002; Willets, Hillman et al., 2003). A trend which has paralleled this is for employers to expect more skilled and qualified workers for even 'entry level' jobs (Institute for Employment Research, 2004; Learning and Skills Council, 2006). A question posed by seeing these trends together is whether their contraction has contributed to the growth of inactivity.

7.2 In summary the following suggestions are presented

- a) Employability should not be confused with the whole of 'getting people into work' – it is a specific part of that agenda. The author recommends a narrow definition, similar to job-ready. This allows a clear answer to the question of "what does this concept add to the discussion of getting people into work"

and attention to the problems relating to this. It also encourages appropriate attention to other issues, like barriers and discrimination, which otherwise might be obscured by a wide definition.

- b) Employability varies according to industry and occupation and from one target group to another. Therefore policy on employability should be responsive to these variations – there should not be a blanket policy on employability which rests at a macro-level and with correlates like skill levels, but instead it should articulate the needs of specific groups.
- c) There is also an important local dimension to policy in this field. The problems about delivery of services are perceived differently in different labour markets.
- d) The implications of the emphasis given to core skills and personal effectiveness need further consideration. Are these problems causes or symptoms?
- e) Policy on employability, at EU, UK and Scottish level, should understand the degree of confusion surrounding the term and should clarify what it means by it.
- f) Locating debates about employability in an overview of labour markets, it is necessary also to encompass not just how the characteristics of jobseekers match the patterns of demand, but also the kinds of jobs needed to fulfil the aspirations of all those of working age who wish to work.

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Appendix

The Questionnaire and accompanying letter



CAPITAL CITY **PARTNERSHIP**

Social Justice in Glasgow

Dear Colleague,

SURVEY INTO EMPLOYABILITY

I will be grateful if you can complete this survey which will help us to understand employability better and to implement the Joined Up For Jobs strategy. It is also part of research I am doing for a Masters degree at Glasgow University. It looks at what we mean by employability and how we use it. It shouldn't take long. (It is better for me if you answer it quickly than not at all).

You may use the term directly, as in "*I help improve people's employability*"; or indirectly, as in "*he was virtually unemployable*"; or you may not use it at all – whichever, your responses are just as important. The questions ask you to think a little about the concept and if they stimulate any relevant thoughts which are not reflected in your replies there is space at the end to set them down. Please note, I want your views, not those of the organisation you work for.

Electronic and hard copy versions

If you have a hard copy and prefer to use an electronic version of this questionnaire, or vice versa, please contact me – my contact details are given below. On a p.c. you should use Print Layout view to get the boxes in the right places. You can e-mail it to me; or print it out and send it by post; or fax it.

Data Protection; Mailing List/Database

The information you provide will be used for the purpose of research. You should only complete the survey if happy to do so. No information or views attributable to you will be in the study outputs, nor will it be passed on to anyone else, without your consent.

In addition we may compile a database of people working in the field of employability, to help plan training or information sessions, to send out information or to make further research enquiries. If you do not wish to be on such a database there is a box to tick at the end.

If you have any queries or comments please contact me at the address below,

Yours truly,

Matthew Crighton

Capital City Partnership, 1 Canon Street Edinburgh EH3 5HE; telephone number 0131 270 6042,

1) Do you use the term 'employability' in your work?

yes	no
-----	----

a) If yes, for which of these (tick all relevant boxes):

1. for thinking or analysing issues		4. for working with employers	
2. for explaining what you do		5. for aiding referrals	
3. for working with people seeking work		6. other (specify)	

b) Does your organisation have a policy which deals with employability?

yes	no	don't know
-----	----	------------

2) What do you think 'employability' means?

The term 'employability' is used in various ways. I want to know what it means to you. Below are a number of definitions and questions explaining it, each with a label in capitals which shows the strand of thinking it represents. Please tick in the first column the one phrase below which you think best defines the term or give your own preferred definition below. You can use the other columns to show which others you agree or disagree with.

	'Employability' refers to:	Explanatory Question:	Best	Dis-agree	Agree
1	having the core skills which all employers seek	Are you job-ready – that is, having the <u>minimum</u> characteristics needed to get any work, probably at 'entry level' (e.g. literacy, numeracy, team working communication)? (NARROW)			
2	the likelihood that you will get and keep work	Are you going to get work, taking in <u>all relevant factors</u> (e.g. core and vocational skills, attitudes, jobsearch, personal circumstance, barriers and demand in the labour market)? (WIDE - JOB OUTCOMES)			
3	your match with actual opportunities	Do your characteristics <u>match</u> what is needed in the labour market now? (MATCH)			
4	the ability to adapt to change	Do you <u>adapt</u> and learn as the skills and qualities which employers want change? (ADAPTABILITY)			
5	having the skills needed	Have you the <u>skills and experience</u> necessary to get work in your occupation or sector? (SKILLS)			

If you wish to add to the answer given above or give another definition please do so here:

.....

.....

3) Is employability a useful concept?

If you have (have not) found that employability is a useful concept can you tell me why (not)?

.....

.....

.....

4) What are the most significant employability problems?

What problems, in your experience, most often restrict the employability of jobseekers?

I have compiled a list 32 factors which have been said to influence employability. It is too long to include here. Would you be willing to look through it to say which you agree with?
If yes please either e-mail me or give your e-mail address below.

yes	no
-----	----

5) **Please indicate whether you agree or disagree with these statements**

	agree	dis- agree	don't know
1) up-to-date vocational skills are important for getting someone into work			
2) employability profiles vary between industrial sectors			
3) if we deal with people's employability we will be able to deal with unemployment			
4) employability programmes make a significant impact on skill shortages			
5) employability skills are basically the same for all employers			
6) low employability is one of the least important causes of high unemployment			
7) employability programmes are a way of putting more pressure on jobseekers to take low-paid jobs or go on training courses			

6) **How do you measure employability?**

- a) Do you use any tools to measure employability or progress in improving it ? Yes / No
- b) If yes, which one(s) ?
- c) How useful reliable are they? On a scale from 1 (useless) to 5 (excellent) please score them for

(Name of employability tool):

i) analysing employment problems	1	2	3	4	5	1	2	3	4	5
ii) predicting employment entry	1	2	3	4	5	1	2	3	4	5
iii) measuring progress	1	2	3	4	5	1	2	3	4	5
iv) making referrals of clients	1	2	3	4	5	1	2	3	4	5

Do you have any other comments on the difficulties of measuring employability or distance from employment?

.....

.....

7) **How can employers help in improving employability?**

- a) Here are some things which employers might do related to employability. Please tell me if you have experience of working with employers on any of these. Then choose the one or two in which you think that increased employer activity would be most helpful.

i)	Activity	Experience of	Would most like
ii)	dialogue with employment-related services about employability		
iii)	providing work experience for jobseekers		
iv)	recruiting people from excluded groups who need support into work		
v)	removing unnecessary barriers in their recruitment processes		
vi)	developing the employability and careers of their workforce		
vii)	mapping out progression routes in work		
viii)	taking on people who are employable but without job-specific skills		

b) Do you think it would be helpful to have employability standards or profiles defined for different industrial sectors?
☐ YES ☐ A LITTLE ☐ NO ☐ NOT SURE ☐ DON'T KNOW

c) If you already have access to something like this, from what source and for which industrial or occupational sectors?

.....

8) **Have you suggestions for improving employability services?**

a) What do you think are the main problems hindering efforts to help jobseekers get work?

b) Well-trained and informed staff are crucial. Are there information or training needs which hold back the quality of the service being provided to job seekers?

9) **ANY OTHER THOUGHTS, SUGGESTIONS OR FURTHER COMMENTS:**
 (continue overleaf if necessary)

THE ORGANISATION YOU WORK FOR

YOUR JOB

Please tick the primary function of your job in relation to employability and jobseekers:

Personal Adviser

Service Delivery

Policy Development

Management of Service

Other (please say what)

WHAT GROUPS DO YOU WORK WITH?

WHAT MEASURES DO YOU OFFER TO IMPROVE EMPLOYABILITY?

(please withhold the following if you wish)

NAME

E-MAIL ADDRESS

PHONE NUMBER

If you do not wish to be on the mailing list database described in the covering letter, tick here

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