The Operation of Local Labour Markets - With Respect to Redundancies From Upper Clyde Shipbuilders Limited;

a thesis submitted for the degree of Doctor of Philosophy in the University of Glasgow based upon research undertaken in the Department of Social and Economic Research

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June, 1974

PREFACE

'Redundant' is a highly emotive as well as a technical term and, although it can be equally applied to outmoded machinery and natural resources superseded by synthetic technology, it is no accident that it has become almost exclusively associated with the human contribution to economic activity. It is this which adds the complicating social and political considerations to the economic question and necessarily means that redundancy, particularly on a large scale, has to be seen from a number of different perspectives.

From the worker's standpoint it means having to face up to the loss of his job with the risk of subsequent unemployment depending on the availability of alternative opportunities as well as on his own capabilities. For policy makers, besides posing the problem of devising appropriate redundancy policies, it also offers the opportunity of increasing the efficiency of the economy through a judicious redeployment of the redundant workers. By the same token, it can help some firms to overcome labour shortages while, for others, especially if they believe themselves to be responsible employers, it means having to face up to the social as well as the economic consequences of a radical cut-back in their labour force.

This research evaluates these various considerations. It does so by investigating the labour market behaviour and the employment experience of a random sample of 400 workers made redundant by Upper Clyde Shipbuilders Ltd. between the summer of 1969 and the winter of 1970 in an attempt to become commercially viable. It also assesses how effective public manpower policy was in cushioning the impact of redundancy and in helping the men involved to find other jobs. Moreover, since the attempt made by U.C.S. to attain viability ended in failure during the course of our fieldwork, the study also provides a unique backdrop against which the furore of the U.C.S. 'work-in' and subsequent developments become more fully understood.

The main research tool was a household survey which yielded 328 successful interviews, giving a response rate of 82.5 per cent. Additional research data were acquired from previous publications on the working of labour markets in theory and in practice, the shipbuilding industry and the problems posed by major redundancies on other occasions. Full use was also made of the professional journals and of relevant statistical series published by bodies like the Department of Employment, the Scottish Office and the Chamber of Shipping of the United Kingdom. In addition, information specific to Upper Clyde Shipbuilders was acquired through direct interviews with Personnel management and workers' representatives and through access to the labour records of the company.

Inasmuch as the research uses, in a comparative way, the labour market and other research of previous authors it might be seen, to that extent, as a continuation of the work done by the various scholars acknowledged throughout the study. Circumstances change, however, and this research is unique in that it evaluates the behaviour and problems of redundant workers, as well as the relevance of public manpower policy, in the worst employment conditions encountered in Great Britain in the post-Keynesian era. Consequently, the study can claim to be a particularly well documented critique of the rationale of British manpower policy and, particularly, of its adequacy in dealing with the problems of the labour market at the local level especially in conditions of high unemployment. In this respect, the quantitative analysis of the performance of the Employment Service, the effectiveness of financial labour market measures like unemployment benefit and redundancy pay and the costs imposed by redundancy on the workers goes beyond that reported in any other major study of redundancy previously undertaken in this country. In addition, surprisingly little comprehensive information yet exists on the 'work histories' of the active labour force and the extent to which their labour market behaviour is determined by such past experience. This research does something to fill this gap in the case of Clydeside shipbuilding workers and casts useful light on the nature of their attachment to and dependence on the industry.

The research was assisted by financial support from the Social Science Research Council and also from the Department of Employment whose advice and co-operation particularly of its local officials were also invaluable throughout. Grateful recognition must also be paid to the assistance and insight provided by the Personnel staff of Upper Clyde Shipbuilders in Clydebank and, more so, Govan. Although the analysis calls into question some aspects of the UCS redundancy programme, criticism is in no sense personally directed at any of the individuals whose co-operation did so much to further this research. The shopstewards' committee of Upper Clyde Shipbuilders Ltd. also lent a sympathetic ear. At the time, they had more on their minds than whole-hearted participation in an in-depth research project and, in any event, felt that the decision to co-operate in the research should be left up to the redundant men themselves. At the same time, no obstacles were put in our way and, for this, we are duly grateful.

A multitude of thanks are due to my many colleagues in the University of Glasgow, whose support, learning, and incisive criticism contributed towards the successful completion of the research. Maureen Robb, Mary Smith and Ann Carey provided invaluable technical assistance, and the whole thing was made manageable by the computing skills of Sue Farbman and Fiona Williams. The work was typed with diligence and efficiency by the secretarial staff of the Department of Social and Economic Research, amongst whom Pat Rennie and Hilda Walker were particularly prominent. My gratitude cannot be adequately expressed to Laurie Hunter and my other academic colleagues in the Department who provided such a stimulating environment that my own, often imprecise, ideas could hardly fail to be improved. My greatest debt, in this respect, is owed to the others in a labour research team of which I was privileged to be a member, Donald MacKay and Graham Reid, some of whose economic expertise has hopefully rubbed off on me, and Brenda Thomas whose sociological insightfulness reinforced my own conviction that, in the last analysis, labour market research is fundamentally concerned with people.

While the study has unquestionably been improved by various criticisms, any remaining deficiencies in analysis and interpretation remain, of course, my own. Last, but by no means least, I can do no less than record my heartfelt appreciation of my wife Pat, and children, whose tolerance and enduring good humour in the face of my neglect can only be seen as a vital contribution towards the successful completion of the research.

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May 1974

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Summary

The Operation of Local Labour Markets - With Respect to Redundancies From Upper Clyde Shipbuilders Limited

How labour markets respond to economic and/or industrial change has been, particularly in the post-Keynesian era, the concern of policy makers as well as of academic investigators. Although their interests have by no means been mutually exclusive the latter have, in general, been more concerned with investigating whether theoretical models of behaviour help to explain the actions of labour market participants while the former have primarily been interested in devising policies which would improve the working of labour markets to increase economic growth and the general welfare of the community.

This research links these two main sets of interests. It does so fundamentally by investigating the labour market behaviour and the employment experience of a random sample of 400 workers made redundant by Upper Clyde Shipbuilders Ltd. between the summer of 1969 and the winter of 1970 in an attempt to become commercially viable. It also evaluates how effective public manpower policy was in cushioning the impact of redundancy and in helping men to find other jobs.

The main research tool was a household survey which yielded 328 (82.5%) successful live interviews. These took place in the summer of 1971 when our respondents had been 'in the market' on average 13 months. Coincidentally, the attempt made by U.C.S. to attain viability ended in failure while the field work was under way. Consequently, besides analysing the behaviour and problems of redundant workers and the relevance of public manpower policy, the study also provides a unique backdrop against which the U.C.S. 'liquidation crisis' and its repercussions are more readily understood.

Additional research data were acquired from previous publications on the working of labour markets in theory and in practice, the shipbuilding industry and the problems posed by major redundancies on other occasions. Full use was also made of the professional journals and relevant statistical series published by bodies like the Department of Employment, the Scottish Office and the Chamber of Shipping of the United Kingdom. In addition, information specific to Upper Clyde Shipbuilders was acquired through direct interviews with Personnel management and workers' representatives and through

access to the labour records of the company.

Initially, the study presents the background to the redundancies including the post-war development of the British shipbuilding industry, particularly its regional implications, and the proposals for change made by the Shipbuilding Inquiry Committee (1965). The subsequent experience of Upper Clyde Shipbuilders is then surveyed and, in particular, the planned reduction of its labour force, implemented mainly through a programme of voluntary redundancy. Details are then presented of the redundant workers who, in comparison with the industry labour force and that remaining at U.C.S., are seen as relatively youthful and skilled. Moreover, most of them were 'finishing' tradesmen and, therefore, seemingly in possession of skills required outside shipbuilding. Against this, however, employment conditions in Great Britain and, more so, on Clydeside during the run-down were, by post war standards, unprecedentedly bad.

Although the cut back was based largely on voluntarism this did not confer many advantages on the redundant workers. The failure to allow paid time off for job search and the prevailing employment conditions did much to explain this. Consequently, the post redundancy employment experience of the U.C.S. workers was, in most respects, substantially worse than that of any other redundant workers previously studied in this country.

A regression analysis showed that, amongst the sample, age was the most important single variable influencing subsequent unemployment. Skill level and job search behaviour also seemed to exert an influence but financial labour market measures had no significant impact. Moreover, the overall employment experience of those workers who did find other jobs suggested that they were worse off than had they remained at U.C.S. The problems of the redundant workers were underlined by the facts that twelve percent were continuously unemployed after redundancy and almost a third were out of work when interviewed. Despite the unfavourable employment conditions, however, some of the workers were observed to adopt and benefit from 'economically motivated' labour market behaviour.

In the prevailing circumstances, public manpower policy had virtually no impact. The employment service compared badly with informal job search methods. Similarly, unemployment benefit and redundancy pay did not substantially affect labour market behaviour and did not appear related to the amount of subsequent hardship experienced. All this suggests that public manpower policy has to be developed much further if it is to deal adequately with problems such as those occasioned by the decline of Upper Clyde Shipbuilders.

Chapter 1

The Background to the Redundancies

1 Introduction

This is a study of the impact of redundancy on a sample of shipbuilding workers, most of them skilled craftsmen, who were released by Upper Clyde Shipbuilders (U.C.S.) Ltd., during 1969 and 1970. The brief history of U.C.S. was notable for the publicity and controversy which surrounded it. In the series of incidents which chequered the life of the company, it is the 'liquidation crisis' of June 1971 which stands out as by far the most prominent. The circumstances of this crisis and ensuing events, including the much publicised 'work-in' by the labour force, have been discussed in considerable detail elsewhere.(1) This crisis, however, was by no means the first encountered by U.C.S. during its short existence.

Between February 1968, when U.C.S. was set up, and June 1971 when its continued existence came into serious question, there were two other occasions on which the Government had to rescue the company with special financial support. The company did, however, take serious measures in an attempt to put itself on a viable long term footing. Economies were made, productivity rose and a planned reduction of the labour force began in the middle of 1969. It is the experience of the workers made redundant under this planned manpower reduction programme which is explored in the following chapters. As we shall see, the problems they encountered do much to explain some of the developments which followed the subsequent liquidation crisis, in particular the 'work-in'. Their

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(1) The situation at U.C.S. was widely reported in the British press during June that year and the following months. Also see Buchan, A., The Right to Work, Calder and Boyars 1972, which gives a journalistic summary of the crisis and subsequent developments, Thompson, W. and Hart, F., 'The U.C.S. Work-in', Laurence and Wishart 1972; Murray, R., 'U.C.S.: The Anatomy of Bankruptcy', Spokesman Books 1972 and McGill, J., 'Crisis on the Clyde', Davis-Poynter 1973.

experience also had important implications both for national manpower policy and for regional policy.

A fuller understanding of these implications, however, requires a closer look at the circumstances in which the redundancies took place. This involves, in the first instance, an appreciation of the rationale which led to the emergence of U.C.S. as a shipbuilding group.

The formation of U.C.S. was one result of a serious deterioration in the competitive position of British shipbuilding in the period following World War II. A brief appraisal of this decline is provided in Section 2. Because of the high concentration of shipbuilding in particular regions of the British economy, the problems of the industry had more serious implications for such regions. Some of these are explored in Section 3. Inevitably the shipbuilding question was the subject of considerable governmental concern. This resulted in the appointment of a Shipbuilding Inquiry Committee which began an investigation into the nature and extent of the industry's difficulties in February 1965. It was the competitive position of the industry as a whole rather than its regional significance which was most emphasised by both the Government and the Committee of Inquiry. The recommendations of the Inquiry Committee are covered in Section 4. In the following chapter the proposals made for shipbuilding are associated more specifically with the formation of Upper Clyde Shipbuilders Ltd.

2. The Post-War Position of British Shipbuilding

It was no surprise when the Labour Government, in February 1965, appointed a Shipbuilding Inquiry Committee under R. M. Geddes 'to establish what changes are necessary in organisation, in the methods of production and any other fadtors affecting costs to make the shipbuilding industry

competitive in world markets.'[2] A deficiency in competitiveness was clearly suggested by a further substantial fall in Britain's share of world output in the post-war period.[3] Between the wars the British shipbuilding industry's market share had averaged around 40%. Immediately after the second World War this had risen to 50%. Admiralty requirements and the obvious need for replacement building were clearly major factors in this resurgence in the position of British shipbuilding. As the competitiveness of the reconstructed German and Japanese industries made itself felt, however, Britain's share declined steadily until, by the time the Geddes Committee was investigating, it represented only around 10% of world output. This severe diminution of market share occurred moreover during a period in which the world output of merchant vessels was expanding at the rate of 6% per year.[4]

In addition to the dramatic increase in shipbuilding output of competitors, particularly Japan, the post-war drop in Britain's share of the world market was also attributable to a falling trend in the output of British yards. For example, during the 1960's the average merchant tonnage launched per annum by British builders was 1,102,000 tons, a reduction of 1/5 in comparison with an average of 1,373,000tons during the 1950's.[5] This falling trend in output was accompanied by a considerable reduction in the employment offered by the industry. In 1959, total employment in the British shipbuilding industry stood at 186,000 as against 217,000 a decade before. By 1969 this had fallen to 149,000 which represented a contraction of $\frac{1}{3}$ in the employment provided

(2) The Report of the Shipbuilding Inquiry Committee (The Geddes Report), HMSO, 1966, p.3.

(3) The British shipbuilding industry's share of the world market had, however, been declining secularly since the last decade of the 19th century. See Parkinson, J.R., The Economics of Shipbuilding in the United Kingdom, Cambridge University Press, 1960, pp.12-15 and pp.213-217.

(4) Geddes, op. cit., p.36.

(5) Chamber of Shipping of the United Kingdom, Annual Reports 1959-60, p.187; 1970, p.43.

by the industry between 1949 and 1969.(6)

The reasons for such a serious decline are many. J.R. Parkinson considered that the outlook of the shipbuilding firms and the ordering of national priorities had particularly detrimental effects on the fundamental capabilities of the industry; 'The industry undoubtedly suffered from too gloomy a view being taken of its prospects in the post-war period. This affected it in two ways. First, too little priority was given to securing steel supplies, and too little priority was given to the comparatively small sums that the industry needed .... Secondly, the combined effects of market forebodings and restrictions on the means to increase output reacted on initiative - and resulted in complete failure to exploit what proved, for many years, to be a large and growing market.'(7) In view of the recommendations later made by Geddes, it is interesting to observe that Parkinson, six years earlier, identified the structure of the industry as being a contributory factor to its obvious lack of dynamism.

3. More Local Considerations

The post-war deterioration of British shipbuilding could be seen as part of a process of secular decline. Nevertheless, it still represented a structural change of considerable importance particularly in a regional context. Although structural change occurs in all economies with the passage of time, adjustment to it, as well as the cost involved varies from case to case. This process of adaptation is affected by various factors. For example, the transferability of factors of production and the presence or absence of policies designed to promote or cushion structural change will clearly influence the

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(6) Ministry of Labour Gazette, August 1949 and 1959, and Employment and Productivity Gazette, August 1969.
(7) Parkinson, op. cit., p.213.

redeployment of released resources. Another important consideration is the resilience of the economic environment in which the structural change is taking place. If the economy is a robust and diversified one, the required adaptation to the forces of change can usually be made easily and advantageously. On the other hand, adjustment is much more difficult and costly if it takes place in an economy ill-equipped to reabsorb the redundant factors of production. In this regard, however, redundant workers clearly cannot be seen in the same light as outmoded machinery and insensitively considered as mere 'factors of production'. Indeed most of the concern justifiably expressed about large scale redundancies arises from the fact that they almost invariably impost severe social as well as economic costs on many of the men affected and also on their families. When the problem of deficient demand is added to the more fundamental weaknesses resulting from an inadequate industrial structure transition becomes still more severe.

These are some of the factors which must be taken into account when evaluating the impact of a declining shipbuilding industry. Shipbuilding, because of its vintage, its technology and its location is usually described as a typical 'traditional' industry. It is labour intensive, craft based and pursued mainly in those regions of the British economy which provided the sinews of the Industrial Revolution. It has been the misfortune of these regions that the circumstances which previously gave them a comparative advantage have, over time, been converted into a disadvantage. One feature of this has been their over-endowment with industries like shipbuilding which, although declining, they can ill afford to lose because of the impact on income and employment. The importance of shipbuilding to its traditional areas can be demonstrated in a number of ways.

The greater relative effect of the industry's decline at local than at national level is brought out by looking, for example, at Glasgow in particular. Here shipbuilding's share of total employment contracted by one-third from almost 7% in 1949 to less than 5% in 1969. This was similar to the decline at national level. Shipbuilding in 1949, however, provided approximately seven times as many jobs in the Glasgow

area as it did for Great Britain as a whole. Consequently a reduction by one-third in the industry's share of total employment involved a larger proportionate loss of jobs than at national level. In fact, the number of male employees in shipbuilding and ship repairing fell by 45% from 28,000 in 1949 to 16,500 in 1969. This process of decline was marked by the passing of some famous shipbuilding names. Barclay-Curle, Simons-Lobnitz and Harland and Wolff were only some of the firms which disappeared from Clydeside during this period. Between 1950 and 1972 the membership of the Clyde Shipbuilders' Association fell from 29 to 13 firms.

Although the industry was contracting when the U.C.S. run-down began in 1969, shipbuilding and related engineering activities still remained a major source of employment when compared with the national picture. Table 1.1 gives some indication of this in the case of Scotland and more particularly, Glasgow.

Table 1.1 Percentage Distributions of Insured Male Employees By Main Sectors, Glasgow Area[1], Scotland and G.B.[2] at June 1969

	Glasgow Area	Scotland	G.B.
Primary	0.7	7.5	5.4
Shipbuilding and marine engineering	6.3	3.3	0.7
Other metals and engineering	21.4	18.2	23.3
Other manufacturing	15.9	17.4	18.1
Construction	13.1	13.9	10.1
Services	42.4	39.6	42.3

Note 1. The Clasgow Area comprises the city and 4 adjacent employment exchange areas including Clydebank.

Note 2. G.B. excludes Scotland and the Northern region identified by Geddes as the other main region where shipbuilding is concentrated.

Source: Department of Employment and the Employment and Productivity Gazette, March 1970.

Shipbuilding and related engineering activities provided over four times as many jobs in Scotland as in the remainder of Great Britain and, in Glasgow, nine times as many. When the multiplier effects of shipbuilding are taken into account, the importance of the industry at local level looms even larger. Because shipbuilding is characterised by a high proportion of bought-in material, a reduction in shipbuilding activity is likely to have wider repercussions in the region.(8) In addition, the higher level of unemployment prevailing in the shipbuilding centres emphasises still further their dependence on this traditional industry as a 'pump primer'.(9)

Given, therefore, the location of the industry and the problems of the areas where it was concentrated, the omission of any explicit recognition of the regional question in the remit given to Geddes was a curious one. This was underlined by the development of the 'Fairfields crisis' during the period the Geddes Committee was investigating. It was primarily the Government's direct intervention which prevented the demise of the Clydeside Fairfield Shipbuilding and Engineering Co. Ltd., after a receiver had been appointed in October 1965.(10) Governmental determination not to see Fairfields 'go to the wall' led to an unusual coalition of trade union funds and private capital which, with Government finance, ensured the survival of the company.(11)

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(8) Geddes, op. cit., p.48, suggests that at least 70% of the cost of a vessel can be attributed to bought-in materials and components.

(9) For the fifteen years before the redundancies began the male employment rate in Glasgow was, on average, over two and a quarter times that for Great Britain.

(10) Fairfield's was a recently modernised yard, the largest shipbuilding employer on the Upper Clyde after John Brown.

(11) For a comprehensive account of developments at Fairfields and also for an insightful critique of some of the more general problems of the British shipbuilding industry, see Alexander, K.J.W. and Jenkins, C.L. 'Fairfields - A Study of Industrial Change', Allen Lane The Penguin Press, 1970.

At the time, considerable emphasis was put on the 'Fairfields experiment' as an opportunity to revolutionise industrial relations in the industry and elsewhere. No less important was the direct loss of 2,500 jobs which would have resulted in an area which could ill afford it. Regardless of the narrow brief offered to Geddes earlier in the year, the Government's concern with events on the Clyde appeared to confer greater weight to the local aspects of the shipbuilding problem.

4. The Geddes Proposals for Shipbuilding

In framing its proposals for shipbuilding the Inquiry Committee decided to take a definite line: 'We are not concerned with general, social or political arguments, but only with the question posed by our terms of reference.'(12) Consequently, the Committee's recommendations were made in abstraction from the special position of shipbuilding in its traditional areas. Nationalisation was rejected as a solution as was the introduction of additional subsidies on a basis and scale comparable with those operated by some of Britain's competitors.(13) While criticism is always easier with the advantage of hindsight, it is clear that the later series of crises at U.C.S. might have been avoided or alleviated if both the Government and the Committee of Inquiry had explored policy options for shipbuilding within a less exclusive frame of reference. In the event, the main proposal made by Geddes to revitalise the shipbuilding industry was that independent shipbuilding firms should consolidate into groups.

Geddes anticipated that the consolidation of a number of individual firms into a consortium or group would promote greater efficiency for a number of reasons. First, it was expected that groups would secure

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(12) Geddes, op. cit., p.93.
(13) Geddes, op. cit., p.44 and pp.29 and 142.

some important scale economies. For example, prior to grouping, each firm would have provided its own 'service' facilities such as design, drawing and purchasing, as well as its own staff functions such as marketing, personnel and general management. A group would be able to centralise these functions with a consequent reduction in cost. Second, grouping was likely to provide the potential to develop a more comprehensive and efficient marketing policy especially if each constituent yard specialised in a particular kind of vessel. The group would thus be able to offer a wider range of products than an individual yard and, because of the yard specialisation, at a more competitive price. Third, more stable employment for the labour force was expected from grouping since workers could be transferred from yard to yard as the cycle of work required it. This, it was hoped, would also contribute to a much needed improvement in industrial relations in the industry and promote more flexible and efficient use of ship-building skills.

In making the recommendations for the restructuring of the industry as a whole, Geddes recognised that important differences existed between autonomous shipbuilding firms. It was accepted that these were bound to cause financial and other problems. Inevitably, there would be costs involved in bringing various yards into harness with each other. To further the necessary reorganisation, Geddes proposed the setting up of a Shipbuilding Industry Board (S.I.B.) which would supervise and facilitate reconstruction by making loans and grants to those firms which did agree to merge. There was, however, a limit to this financial assistance which also had to 'make the best practicable contribution to the competitiveness of the industry as a whole.'(14)

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(14) Geddes, op. cit., paragraphs 550-554 and paragraph 560.

5. Conclusions

The main concern of this study is what happened to the workers made redundant by U.C.S. in the course of a planned run down of their labour force beginning in the middle of 1969. Their experience is better understood when seen against the backdrop of the British ship-building industry and its problems, nationally and even more so, locally. The rising anxiety over shipbuilding which resulted in the appointing of the Shipbuilding Inquiry Committee in 1965 was an inevitable consequence of the international performance of the British industry. Despite a growing world demand for merchant vessels in the post-war period, Britain's share of the market contimued to fall. This was accompanied by a contraction in the size and output of the industry.

Although shipbuilding is, in the main, concentrated in areas of above average unemployment local considerations were accorded less priority than the need to make the industry internationally competitive. The most important proposal made by the Committee of Inquiry was that individual firms should be encouraged to merge into groups by offering a variety of grants and loans. This, it was hoped, would lead to economies of scale, a more effective marketing policy and more efficient utilisation of the industry's labour force. To encourage and oversee the consolidation of the industry, Geddes proposed that a Shipbuilding Industry Board be set up which would dispense the prescribed financial assistance provided various conditions were met.

Chapter 2

U.C.S. The Redundancies and the State of the Local Economy

1. Introduction

The Shipbuilding Inquiry Committee made its recommendations in March 1966, approximately a year after its appointment. Although the proposals offered attractive financial incentives to firms which were considering a merger, it was some time before they had much effect. After all, shipbuilding was a traditional industry and some traditions died harder than others. In this chapter we first of all look at Upper Clyde Shipbuilders Ltd. as a product of the Geddes Report. This is done in Section 2. In Section 3 the reasons for the U.C.S. redundancy programme and its implementation are discussed. In order to provide some framework within which to evaluate the scale and significance of these redundancies, Section 4 gives an indication of the changing face of U.C.S. over the span of the cut-back. The external environment in which the redundancies occurred was, if anything, more important. Section 5 makes some assessment of this environment using the unemployment and unfilled vacancy statistics for the Glasgow area between the summer of 1969 and the summer of 1971.

2. Upper Clyde Shipbuilders Ltd.

Upper Clyde Shipbuilders Ltd. was set up in February 1968 in accordance with the proposals made in the Geddes Report. The new consortium was created through a merger involving all the five firms still building ships on the Upper Reaches of the river. In addition to Fairfields, saved from extinction three years before, the other four constituent firms were the renowned John Brown of Clydebank, Alexander Stephen of Linthouse, and Charles Connell and William Yarrow both located on the Scotstoun stretch of the river.

Creating a group out of these five yards seemed to make sound sense for a number of reasons. First, they were in relatively close proximity to each other. Fairfield and Stephen, on the south bank, virtually faced Yarrow and Connell opposite. John Brown lay a few miles downstream on the north bank. Consequently, this presented the opportunity of using the employees of the five firms as a single labour force since there seemed no great problem in transferring labour from yard to yard as required. In addition, their existing specialisations promised the development of the broad product range recommended by Geddes. Yarrow specialised in Admiralty work, both Brown and Fairfield were capable of building medium sized tankers, liners and large bulk carriers, while Stephen and Connell were suited for building medium and smaller sized merchant ships as well as specialised vessels.

At the same time, reservations were expressed in the business press and elsewhere about the fundamental commercial viability of the group.(1) Problems were anticipated because, among other things, the individual yards had been operating with capital equipment of varying vintages under autonomous and independent-minded managements. Indeed, when joining the consortium, Yarrow's retained 49% of its own shares and reserved the right to buy back the other 51% taken up by U.C.S. if, for example, the survival of the group later came into question.(2) It was not long before some of these fears began to be realised.

3. The Redundancy Programme

In 1969, its second year of existence, the U.C.S. group found itself facing a shortage of working capital and approached the S.I.B. for further

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(1) Hargrave, Andrew, 'The Agony at U.C.S.', Management Today, October 1969.

(2) Yarrow's, in fact, effectively freed itself from group control in mid 1970 and the financial 'divorce' was completed in February 1971, on the eve of the U.C.S. 'liquidation crisis'.

financial assistance. An additional grant of £½ million was extended to the group in February but this proved inadequate. Representations were again made in June for a further injection of finance. Since the extent of the assistance required was clearly more than the S.I.B. was authorised to provide, the Government again became directly involved in the fate of shipbuilding on the Clyde.(3) On this occasion, however, a condition for continued Governmental support of U.C.S. was that the group should proceed to reduce its labour force in areas which were overmanned: U.C.S. commenced to prune its labour force in August of that year on the basis of 'last in, first out' and entered into a more comprehensive policy of labour force rationalisation the following year as it developed its standard multi-purpose 'Clyde' vessel which required a lower input of traditional skills particularly those of the 'outfitting' trades.(4) It is the results of these redundancies which form the basis of this study.

To encourage the required run-down, U.C.S. introduced, in 1970, an incentive separation payments scheme which offered volunteers for redundancy from four to eight weeks' pay free of tax over and above their entitlement under the Redundancy Payments Act. In order to bring about the desired balance in the labour force the scheme was directed primarily at the outfitting trades. To retain control over the cut-back, U.C.S. introduced the redundancy programme in three stages and also attached a number of conditions to accepting volunteers.

The first phase began in May and was directed at hourly paid employees with less than two years' length of service. Because of their short service such workers were not entitled to statutory redundancy payments but volunteers from this group were offered four

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(3) Geddes proposed a ceiling of £5 million on any grant made by the S.I.B. to alleviate the costs which any group might incur in merging. Geddes, op. cit., p.148.

(4) 'Outfitting' or 'finishing' trades include such as plumbers, painters, electricians, joiners, polishers, engineers and fitters who equip the vessel for use when the steelwork is completed.

weeks' severance pay tax free. U.C.S., however, reserved the right not to accept all volunteers, the right to determine the date of discharge and the right to withhold the non-statutory severance pay if the employee left prior to the agreed date of discharge. In addition, at this stage of the planned manpower reduction programme, the company also compulsorily retired all employees over retirement age and offered them an ex gratia payment of £5 for each year of service prior to the formation of U.C.S. and £10 for their service with the group.

Hourly paid employees with up to five years' length of service were included in the second phase of the run-down which began at the end of July. The company reserved the same discretionary authority as it had done at the first stage. Again, four weeks' pay was offered as an incentive, this time in addition to any statutory redundancy pay a man may have been entitled to. The opportunity to volunteer was not extended to manual workers with over five years' service since the company intended to limit its financial obligations.

This constraint was not introduced, however, in the third and final phase of the planned run-down which was aimed at clerical, administrative and technical staff employees. All such employees were, in principle, allowed to volunteer from the middle of August but this was subject to the discretion of the company. The staff were, however, offered somewhat more attractive severance money. In addition to any statutory payment they may have been entitled to, they were offered from five to eight weeks' pay dependent on length of service. The various phases of the planned cut-back were not mutually exclusive so that in the second half of 1970 U.C.S. was gradually releasing both staff employees and hourly paid workers with up to five years' length of service.

As a result of the entire manpower reduction programme, just over 2,000 workers were made redundant between August 1969 and the beginning of 1971. This was in addition to any natural wastage. About 20% left in August 1969 and the majority, under the voluntary programme, between June and December 1970. The phasing of the reported redundancies is shown below.

Table 2.1 Redundancies Reported by U.C.S. to the Department of Employment

1969	May	June	July	August	September	October	November	December	1971	Total
444	10	342	243	493	278	12	117	17	47	2,003[1]
22	-	17	12	25	14	1	6	1	2	100

1. The total excludes 90 employees over 65 who were compulsorily retired.

The Clydebank (John Brown) and Govan (Stephen and Fairfield) divisions of U.C.S. accounted almost equally for 90% of the redundancies and the two smaller yards, Connell and Yarrow, for the remaining 10%. A manpower reduction programme on this scale clearly had important implications not only for U.C.S. but also for the local community.

4. The Changing Face of U.C.S.

The experience of U.C.S. was so erratic that it would be pointless trying to determine any 'normal' pattern in the employment offered by the group. Group employment statistics began to be centralised in September 1968, seven months after its formation. In October, the total labour force was just over 15,000 of whom 61% were craftsmen, 18% were staff and 21% were unskilled and semi-skilled workers. Due to the urgency to complete the QE2 contract, inherited from John Brown, in April 1969, the hiring and subsequent firing of finishing tradesmen over the autumn and winter of 1968 prohibits the computation of anything like an average turnover figure.

What is evident, however, is that the group was reducing its labour force even prior to its commitment to a planned run-down in the summer of 1969. Employment reached a peak of 15½ thousand in November 1968. By August 1969 it was down to 13½ thousand. Since the planned reduction in the group's manpower began at this time, we may assess the effect of this exercise by comparing the structure of the labour force before and after the redundancies. The effective withdrawal of Yarrow's from U.C.S. in July 1970 slightly complicates this evaluation. At the beginning of August 1969, Yarrow's complement of workers was 2,748 in a total U.C.S. labour force of 13,530. If we deduct Yarrow's men from the group total, as we do below, this allows us to assess the changing face of the remainder of U.C.S.

Table 2.2 Occupational Structure of U.C.S. (excluding Yarrow's) at the Beginning and End of Redundancy Programme

	(1) August 1969	(2) %	(3) January 1971	(4) %	(5) Difference	(6) % Reduction
Staff	2,258	21	1,822	22	- 436	- 19
Skilled	5,685	53	4,259	51	- 1426	- 25
Semi-skilled	1,051	10	954	11	- 97	- 9
Unskilled	1,094	10	720	9	- 374	- 34
Apprentices	694	6	665	8	- 29	- 4
	10,782	100	8,420	101	- 2362	- 22

Note: In this table and elsewhere where percentages are rounded they may not add exactly to 100. Source: U.C.S.

Over the span of the redundancy programme, the total labour force fell by 22% from almost 10,800 to 8,400. All occupational levels experienced some contraction but the severest cut-back was made in the ranks of the skilled and unskilled workers. This, however, did not result in any radical change in the broad occupational structure of the labour force as a comparison of columns (2) and (4) illustrates.

While the proportion of skilled workers was not too severely eroded by the redundancies, most of those released were, by design, those in the finishing trades.

In principle, these were the most transferable workers. But did they in fact, have skills which were suited to other activities ? Was their working experience wholly confined to shipbuilding? What effect was their age likely to have on their chances of getting another job? These are some of the important questions we turn to in the following chapters. For the moment, we briefly evaluate the local employment conditions facing the redundant workers.

5. The Trend of the Local Economy

Although shipbuilding employment had been declining since 1949, we saw in the introductory chapter that, in 1969, a sizeable proportion of the male labour force in the Glasgow area was still attached to shipbuilding and related activities. The further reduction in the stock of shipbuilding jobs caused by the run-down at U.C.S. would obviously affect the subsequent employment prospects of the workers affected. In addition, the general state of the local economy during the cut-back at U.C.S. suggests that being made redundant, voluntarily or otherwise, was only the start of the men's problems as table 2.3 indicates.

Table 2.3 Wholly Unemployed Males (%) Glasgow Area, Scotland, Great Britain 3rd Qtr. 1969 - 3rd Qtr. 1971

	1969		1970				1971		
Av. % Unemployed	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr
Glasgow	6.2	6.1	6.8	6.7	7.4	8.0	9.1	9.6	10.5
Scotland	4.8	4.9	5.7	5.2	5.8	6.1	7.2	7.5	8.2
G.B.	3.2	3.3	3.7	3.4	3.5	3.5	4.2	4.5	5.0

Source: Department of Employment unpublished data.

After the first wave of redundancies in August, 1969, the male unemployment rate in Glasgow for the remainder of the year was just over 6%. This was almost twice as bad as for Great Britain as a whole. At the time the second and heavier wave of redundancies began in June, 1970, male unemployment had risen to 6.7% and by the end of the year it was above 8%, over twice the national average. The situation worsened thereafter so that by the summer of 1971, the male unemployment rate was over 10%. A similar deterioration also took place in the Scottish economy and in Great Britain as a whole.(5) In Glasgow, however, the decline had more serious implications because it started from a position which was already much worse.

Another indication of the progressive deterioration in the local economy is given by the increase in the actual numbers of men unemployed and by the trend in unfilled vacancies. At the end of 1969, there were only 3,000 or so vacancies available for nearly 21,000 wholly unemployed men in Glasgow. In June of 1971 vacancies had fallen to a mere 642 for 35,000 men out of work.(6) By this time, 90% of the redundant workers had been in the labour market for at least nine months. Under normal circumstances this should have given them ample time to 'find their feet' after losing their jobs. Quite clearly, however, the economic recession which coincided with the U.C.S. 'shakeout' placed considerable obstacles in the way of the redeployment of the shipyard workers.

6. Conclusions

Upper Clyde Shipbuilders Ltd. was set up in 1968 in accordance with the Geddes proposals for shipbuilding. Its constituent members were the five independent firms still active in building ships on the Upper

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(5) Between August 1969 and July 1971 the proportionate increases in the male unemployment rate for Glasgow, Scotland and Great Britain were 1.63, 1.67 and 1.52 respectively.

(6) Data from the Glasgow Area Office of the Department of Employment.

Reaches of the river. In its second year of existence the group found itself facing a liquidity problem and approached the Shipbuilding Industry Board for additional financial assistance. Because the scale of this was greater than the Board was statutorily authorised to provide, the matter was referred to the attention of the Government. A condition for continued Governmental support of U.C.S. was that it should proceed to reduce its labour force where possible. The Group introduced a phased labour force run-down beginning in August 1969 and continuing to the end of 1970. Most of the reduction took place in the latter year under a voluntary redundancy scheme.

Eventually, just over 2,000 men were released in the course of the entire exercise. This represented a reduction of almost one-quarter of the entire labour force and most of the workers involved were craftsmen from the so-called finishing trades. Such a reduction in the amount of employment offered by shipbuilding on the Upper Clyde had serious implications for the redundant men. First of all, apart from some firms still engaged in ship-repairing and Yarrow's which had effectively left the group, U.C.S. was the sole source of shipbuilding jobs up-river. Consequently, the redundant men faced considerable difficulty if they hoped to find similar jobs in the same local area. Secondly, since the U.C.S. run-down was contemporaneous with and, indeed, formed part of a general recession in the local economy, employment prospects outside the industry did not seem any more promising. This is the context within which we are about to assess the experience of the U.C.S. workers.

Chapter 3

The Redundant Workers

1. Introduction

Quite apart from the underlying state of the labour market into which he is released, a redundant worker's chances of quick re-engagement will be influenced by such factors as the urgency with which he looks for a job, his age, and, importantly, the skills which he can offer to prospective employers.(1) This chapter examines a number of such factors comparing the redundant men, where appropriate, with the remaining workers at U.C.S. and the industry labour force. Section 2 first of all describes our sampling procedure and establishes its representativeness while briefly noting the reasons for non-response. In section 3, we look at the age structure of the redundant workers and their family responsibilities, including their marital status, dependents and reported household income at time of redundancy. Sections 4 and 5 are concerned with the men's working lives particularly those aspects which would have some bearing on their redeployability. Occupation is discussed in section 4 while section 5 considers their length of service in shipbuilding in and out of U.C.S. and also their experience of industries other than shipbuilding. Conclusions are presented in section 6.

2. The Sample

Lists of redundant workers submitted by U.C.S. to the Department of Employment were made available to us and used as a sampling frame. With the cooperation of the company, occupations having some affinity with each other were grouped together within 9 composite categories and assigned one of four skill levels, unskilled, semi-skilled, skilled and staff. Using the 9 occupational categories as sampling strata, a sample of 400 men was randomly drawn from the population of just over 2,000 redundant workers.(2)

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(1) For a comprehensive discussion of the importance of such factors, see Sheppard, H.L. and Belitsky, A.H., 'The Job Hunt', Johns Hopkins Press, 1966

(2) The few women involved in the run-down were excluded as were 100 or so male workers compulsorily retired by U.C.S., the former because they were atypical and the latter because they were unlikely to be active labour market participants.

Fieldwork was carried out in June and July of 1971 by a market research organisation after the interviewers had been fully briefed at Glasgow University and after the questionnaire had been 'piloted' in Glasgow on a separate sub-sample of the redundant population. Ultimately 328 usable interviews were obtained providing a response rate of 82% and there was no occupational bias in this response.(3)

Besides investigating the possibility of response bias it was also important to establish how the men themselves perceived their skills. Few sampling frames are perfect and, in tracing the pattern of occupational dispersion following redundancy we were, for obvious reasons, obliged to pay due attention to the men's own appraisal of the skill characteristics of their various jobs. Consequently, our respondents were asked,

'What was your job at U.C.S. called?'

followed by,

'Would you say it was unskilled, semi-skilled, skilled or staff?'

Table 3.1 shows the occupational distribution of the sample, (1) based on the data received from U.C.S.; (2) based on the job descriptions of the interviewed workers.

Table 3.1 The Occupational Distribution of the Realised Sample (1) based on data from U.C.S. (2) based on worker's evaluation (%)

Occupation	(1)	(2)
1. Plumbers and Painters	16	13
2. Electricians	16	16
3. Joiners and Polishers	23	22
4. Engineers and Fitters	13	12
5. 'Shipbuilding' trades	6	6
6. Semi-skilled workers	11	13
7. Staff	8	7
8. 'Indirect' workers	6	12
9. Not known	2	-

Table 3.1 indicates that the information from U.C.S. largely coincided

(3) Two successful interviews were discarded because the men were dismissed and not made redundant by U.C.S. The other 70 failures were made up as follows: 32 no trace; 15 refusals; 7 no contact after 4 calls; 9 abroad; 1 ill; 7 deceased.

with the men's own estimation of what their jobs were. The only striking difference occurs in the case of the 'indirect' workers. When we decided on the rationalised occupational codes to be used, it seemed reasonable for us to consider the 'indirect' occupations as, by and large, unskilled. As we shall see, however, the respondents' estimation of the skill levels of their occupations didn't entirely coincide with ours. The differences between our assessment and that of our respondents are shown in table 3.2.

Table 3.2. Skill Distribution of the Jobs held at U.C.S. (1) Attributed; (2) Workers' Estimation (%)

Skill level	(1)	(2)
Unskilled	6	9
Semi-skilled	11	15
Skilled	74	72
Staff	8	5
Not known	2	-

In the course of establishing the occupational/skill composition of the sample it was clear that a degree of imprecision was inevitable. For example, where groups of redundant workers were reported by department such as 'painters', U.C.S. pointed out that red leaders, semi-skilled workers, would be included but could not be distinguished from unskilled 'brush-hands' or skilled painters. Another possibility for imprecision arose from our decision to assume that 'staff' would include all those in supervisory positions but table 3.2 suggests that a number of such supervisors rated themselves at the same skill level as the workers they were responsible for. Summing up, however, the differences between our assessment of the workers and their own were not serious and the distinctive feature of the sample, as of the redundancy programme, remains the fact that it is characterised by a large proportion of skilled craftsmen.(4)

(4) When asked if they had completed a trade apprenticeship, 76% of the sample affirmed that they had. Only six of the 235 workers describing their occupations at U.C.S. as skilled said they had not. In addition, 11 staff, 4 unskilled and 7 semi-skilled workers claimed to have done so but not necessarily in shipbuilding or engineering.

3. Age and Family Responsibilities

The effect of age on prospects of re-employment is well documented.(5) Family responsibilities are also likely to exert a different influence. Young, single workers with little or no family responsibilities will generally be under less pressure to get back into work quickly than mature married men with families. Table 3.3 below compares the age structure of our realised sample with that of the remaining labour force at U.C.S. and also with that of the male labour force at June 1969 in British shipbuilding as a whole. This was about the time the planned reduction of the U.C.S. labour force began.

Table 3.3. Age Structure of Sample, Remainder of U.C.S. Labour Force and Labour Force in British Shipbuilding at June 1969 (%)

Age	Sample	Remainder of U.C.S. Labour Force	British Shipbuilding
Up to 29	31	16	21
30 - 39	22	19	18
40 - 49	20	24	24
50 - 59	14	30	24
60+ 60 - 64	9	11	14
60+ 65+	4		
Numbers Involved	328	694	169,000

Note 1. The remainder is a 10% simple random sample of the labour force in the UCS yards after the redundancies.

Note 2. One respondent whose date of birth was not reported is excluded from this and subsequent age distributions.

Source: U.C.S. and the Employment and Productivity Gazette, July 1970.

Clearly the redundant workers were a much younger group than those unaffected by the planned run-down; 53% were under 40 compared with 35% of the remaining labour force and only 27% were over 50 compared with 41% of those left. These differences are significant at the 1% level. Equally clearly, they were considerably younger than the industry's

(5) See, for example, Mackay, D.I., 'After the Shake-Out', Oxford Economic Papers, March 1972 and Mackay, D.I. and Reid, G.L., 'Redundancy, Unemployment and Manpower Policy', The Economic Journal, December 1972.

labour force as a whole. In general, therefore, the age of the redundant workers could be considered an advantage rather than a handicap.

Looking at family responsibilities, most of the sample (81%) were married men and under ⅓ (27.5%) of these had wives with outside jobs at the time of redundancy. Another and important aspect of family responsibility is, of course, the number of dependents a man has. For our purposes, we decided to define 'dependent' in terms of a single household and asked the respondent to enumerate, with their ages, all the persons living in the household at the time of redundancy. A 'dependent' was considered as anyone under school leaving age or over retirement age. This would include, for example, an aged parent living with a married son or daughter but would exclude children pursuing further education. It would also fail to pick up possible payments to family members elsewhere but it had the advantage of establishing as directly as possible the number of dependents our respondents were, under normal circumstances, likely to be responsible for. We show, below, the distribution of the dependents of the 265 married men in the sample.

Table 3.4 Number of Dependents of the 265 Married Men (%)

	Dependents							
	None	1	2	3	4	5	Nos. N.K.	Total Numbers
Married Men	29	27	22	14	4	3	3	265

Something under one third of the married men had no dependents apart from their wife. Otherwise, a majority (63%) had from 1 to 3 dependents with relatively few having more than that. Excluding childless couples, the average number of dependents was two per respondent.

Our survey also sought to establish usual weekly financial commitments as well as weekly household income at time of redundancy. The resulting average (median) for 'usual commitments' was just over £4 but no checklist

was used for practical reasons and the responses suggest differences in interpretation. Our question on usual weekly income read, 'Altogether , at the time you left U.C.S., how much per week would you say was coming regularly into the house?' This was directed primarily at the 265 married men whose responses produced a median of approximately £27. The range of responses in this case suggested, however, that some respondents actually gave not the total income of the household but their own contribution to the weekly running expenses of the household. It is also likely that the responses referred to earned income ignoring, for example, family allowances etc. Consequently, it is hardly surprising to find that average household income in Scotland at the time, £32.5 per week, was somewhat higher than that resulting from our survey.(6) Clearly, a rigorous investigation of family income and expenditure requires far more time and detail than can be provided by a labour market survey.

4. A Broader View of the Redundant Workers' Skills

We have previously compared the age structure of the redundant workers, the remaining U.C.S. labour force and the shipbuilding industry labour force. A similar occupational comparison allows us to evaluate the skills of the redundant workers in a wider context.

Table 3.5 Occupational Distribution of Sample, Remaining U.C.S. Labour Force and British Shipbuilding Industry in May 1969

(1) Occupation	(2) Sample		(3) Remainder of U.C.S. Labour Force		(4) Industry Labour Force, May 196	
1. Plumbers and Painters	13		5		6	
2. Electricians	16		4		5	
3. Joiners and Polishers	22	69	6	56	6	57
4. Engineers and Fitters	12		5		9	
5. Shipbuilding Trades	6		36		31	
6. Semi-skilled workers	13		17		12	
7. Staff	7		21		16	
8. 'Indirect' workers	12		6		17	

Source: U.C.S. and Employment Productivity Gazette, January 1970.

(6) The Scottish Abstract of Statistics, 1971. H.M.S.O. p.79.

Table 3.5 demonstrates that the workers made redundant by U.C.S. were more skilled than the U.C.S. labour force in general and also more skilled than the work force of the industry as a whole. Moreover, although 56 per cent of the workers employed by U.C.S. in the summer of 1971 were in skilled occupations, only 20 per cent were finishing tradesmen. The majority (36 per cent) were employed in the metal working or shipbuilding trades. Similarly, for the industry as a whole, the shipbuilding trades (31 per cent) were in a majority over the finishing trades (26 per cent). The pattern is reversed in the case of our sample of redundant workers, where the finishing tradesmen (63 per cent) were in an overwhelming majority over the metal workers affected by the cut-back (6 per cent). The asymmetrical composition of skills in the sample reflected, of course, one of the objectives of the redundancy exercise. Its decision to put more emphasis on the standard cargo vessel resulted in U.C.S. discarding a much higher proportion of finishing trades.

The main point, therefore, emerging from this broader review of the workers' occupational characteristics is that, looked at from the outside, they appeared to form a group with skills which were, on the face of it, transferable to a number of different industries. Relatively few of them had skills which were obviously specific to shipbuilding. Other things being equal, this would have stood them in good stead after redundancy, especially if their previous working experience had not been exclusively confined to the shipbuilding industry.

5. Shipbuilding and Other Industrial Experience

Besides his age and the skills he has to offer, a redundant worker's prospects of finding another job may be affected by his past work experience. First, the tasks required of particular craftsmen will vary in some degree from industry to industry. For example, an electrician with construction

as well as shipbuilding experience is more likely to be capable of transferring to the building industry than an electrician whose industrial experience has been confined to shipbuilding. In addition, one would expect that workers with diverse industrial experience would have more confidence about crossing industry boundaries, while one might anticipate less mobility from workers with experience exclusive to shipbuilding. A man's length of service in a particular job is another important element in his overall work experience. The longer his service with a particular firm the less recent has been his experience of going through the process of looking for another job which is likely to affect the efficiency with which he seeks alternative employment. These are some of the factors which we now take into account. We have already noted in Chapter 2 that the redundancy programme was directed primarily at short service workers. Table 3.6 compares the sample's length of service at U.C.S. with that of the workers still employed by U.C.S. in the summer of 1971.

Table 3.6 Length of Service at U.C.S. Remaining U.C.S. Workers; Length of Service of the Sample at U.C.S.; and in Shipbuilding (%)

Length of Service	Length of Service at U.C.S. Rest of U.C.S. Workers	Sample At U.C.S.	Sample In Shipbuilding*
Up to a year	12	39	8
1 and up to 2 years	7	12	4
2 and up to 5 years	28	26	15
5 and up to 10 years	25	17	20
10 and up to 15 years	6	1	14
15 years +	21	5	39
Numbers not known		1	1
Total	755	328	328

*Note: This is total accumulative and not continuous service in Shipbuilding.

Table 3.6 clearly reflects the principles on which U.C.S. based their cut-back of the labour force. Over $\frac{3}{4}$ of the redundant workers had less than 5 years' service at U.C.S. compared with under $\frac{1}{2}$ of the workers still employed by the company. In this respect, the voluntary redundancy programme had similar effects to a procedure based on 'last-in, first-out'. At the same time, a voluntary programme allows a degree of choice within the limitations imposed by the company. For example, there were similar proportions of workers with 2 to 5 years' service in both the sample and the remaining U.C.S. labour force. Although some workers were of the opinion that U.C.S. would revert to 'last in, first out' if the voluntary scheme failed to bring about the required reduction in the labour force, men with 2 to 5 years' service would by no means have been the first to go. This suggests that at least some of them believed that the benefits of leaving U.C.S. with extra cash in hand were likely to outweigh any resultant costs. The men's own view of their position is taken up in more detail in the following chapter.

Although the redundant men were predominantly short service workers, their experience in shipbuilding was substantial. For example, whereas only 6 per cent of them had 10 or more years of service with U.C.S., more than half of them had over 10 years' total experience of the shipbuilding industry and many of these had worked in shipbuilding considerably longer. This long relationship with the industry was not peculiar to the tradesmen. It was shared in similar degree by the other skill groups. Table 3.7 allows us to assess whether long association with shipbuilding implied little experience outside it.

Table 3.7 Experience of Other Industries by Total Length of Service in Shipbuilding

Service in Shipbuilding	%	Experience Outwith Shipbuilding (%) (1) None	(2) One Other Industry	(3) A Second Industry
Up to a year	8	-	100	20
1 year and less than 2 years	4	8	92	54
2 years and less than 5 yrs	15	6	94	45
5 years and less than 10 yrs	20	12	88	38
10 years and less than 15 yrs	14	16	84	28
15 years and less than 20 yrs	8	11	89	54
20 years and over	31	38	62	15
Numbers not known	1	-	-	-
Numbers	328	18	82	31

The survey asked what other industries the redundant men had worked in and we coded up to two of their replies. Only 18% had no alternative industrial experience whatsoever but column (1) indicates that this proportion more than doubled in the case of those with the longest service in shipbuilding. Column (3) shows that this group of workers also had less breadth of alternative industrial experience. Only 15% of those with 20 or more years' shipbuilding experience had worked in more than one industry compared with almost $\frac{1}{3}$ of the sample taken as a whole. This underlines the potential problems facing such workers in redeploying from U.C.S. Those workers with experience outside shipbuilding in general had found it in three major areas, in order of importance, construction, other engineering and other manufacturing.

Finally, we might briefly consider two other factors which may have had some bearing on the subsequent employment experience of the men, namely their travel to work area and their previous preparedness to move away from home to take up a job. Table 3.8 shows the location of the home addresses of the workers made redundant by the various divisions of U.C.S.

Table 3.8 Home Addresses of the Workers Made Redundant by the Divisions of U.C.S. (%)

	Location of Home Address				
Division of U.C.S.	Glasgow-Paisley	Clydebank-Dumbarton	Greenock-Port Glasgow	Rest of Scotland	Numbers
Clydebank (Brown's)	47	43	3	7	177
Scotstoun (Connell's and Yarrow's)	80	17	-	3	30
Govan (Fairfield's and Stephen's)	76	3	13	8	121
Total U.C.S.	61	26	6	7	328

Most of the workers, as we would anticipate, lived in Glasgow or Clydebank and an evaluation of travel to work time indicates that Clydebank as a shipbuilding centre generally imported men from rather than exported men to Glasgow. The usual (median) travel to work time for men living in Clydebank was $\frac{1}{4}$ of an hour compared with just under $\frac{1}{2}$ an hour for men living in Glasgow and for the sample as a whole. Men living outwith Glasgow/Clydebank generally took around $\frac{3}{4}$ hour to get to work. In other words, and hardly surprisingly, the men's travel to work pattern more or less traversed the local area whose recession we outlined in chapter 2.

There existed, of course, the possibility of leaving the area to seek work elsewhere and, in this regard, the survey revealed that all the redundant workers were by no means 'stay-at-homes'. When asked if they had previously lived outside the West of Scotland for work reasons over $\frac{1}{3}$ of the respondents affirmed that they had. More of the skilled (40%) and unskilled (35%) had done so than the semi-skilled (28%) and staff (20%). While a disposition to move away from home is clearly dependent on much more than skill, it is interesting that the most mobile workers in the past had been those with marketable skills while the most static workers were the staff whose seniority, security and promotion prospects were very likely to be affected by service.

6. Conclusions

Our sample of 400 men was drawn, within occupational strata, from a total population of just over 2,000 male workers made redundant by U.C.S.

between August 1969 and the end of 1970, and the realised sample of 328 was representative of the kinds of worker involved in the redundancies. In the main, they were comparatively young, skilled craftsmen with short service at U.C.S. but with considerable experience of the shipbuilding industry. Most had experience outside shipbuilding but, in general, this was not extensive especially for those with longest service in shipbuilding. As far as age and skill were concerned they appeared better equipped to find new employment than most other workers from the industry.

Most of the workers in the sample were married men. While one-third of the married men had no dependents apart from their wife, the other two-thirds had, on average, two such dependents in their family. The wives of the majority ordinarily had no job in addition to their domestic responsibilities. While income and expenditure estimates derived from surveys must be treated with caution, especially in the absence of exhaustive check lists it is unlikely that the household income of most of the redundant workers differed radically from the Scottish average.

Finally, the location of the men's homes and their travel to work time underlined the difficulties they were likely to encounter when seeking alternative jobs near home. While most of them had never lived outside of the West of Scotland for work reasons, a considerable proportion of them (36%) had previously been prepared to venture forth if the circumstances warranted it.

CHAPTER 4

Job Search

1. Introduction

The preceding chapters have outlined the employment conditions confronting the redundant workers and their personal characteristics. We have already suggested that, although relatively youthful and in possession of apparently transferable skills, the shortage of local job opportunities was bound to put considerable difficulties in their way. This chapter discusses various aspects of their job search experience.

In Section 2 we evaluate what expectations the workers themselves entertained of what lay in store for them. Here, we explore successively (i) the implications of the voluntary redundancy programme, (ii) the relationship of shipbuilding experience to job expectations and (iii) the influence of age and occupation on job expectations. Section 3 introduces the idea of job search 'motivation' and begins by asking how important it was for the workers to get back into work quickly. Subsequently, other evidence is brought to bear including the point in time at which the job search began, how 'intensively' the workers sought other jobs and their preparedness to leave home for another job. Section 4 follows by assessing the extensiveness of the men's job search, presenting the types of job search methods used and the numbers of different avenues pursued. Their choosiness in selecting new jobs provides a final commentary on their actual experiences. Section 5 summarises.

2. Labour Market Expectations

(i) The Impact of the Voluntary Redundancy Programme

By volunteering for redundancy, a man automatically expects to have to find a new job soon or already has one lined up. This opportunity

to line up a new job in advance is one benefit generally believed to result from a voluntary programme. Not all of the workers, of course were volunteers. In chapter 2 we saw that 20 per cent of the overall cut-back took place during 1969 on the basis of last in, first out. Of our 328 respondents, however, 100 workers (30 per cent) claimed not to have left voluntarily. The additional 10 per cent, although leaving during 1970, said they had not done so voluntarily. Even with this qualification, however, it is quite clear that the redundancy programme, described by the company as a voluntary one, was also largely seen as such by the workers. We have previously remarked that being made redundant in Glasgow during 1970, even voluntarily, was not an attractive proposition. Why then did 70 per cent of the workers willingly put themselves in this position? Table 4.1 shows the break-down of the main reasons offered by the 228 acknowledged volunteers.

Table 4.1 Reasons Given for Volunteering for Redundancy (%)

Intended to Leave Anyway	For the Money	Had Other Job to go to	Expected to be Paid Off Anyway	Wanted out Before Market Flooded	Other	Numbers
10	23	5	46	8	8	228

The most frequently quoted reason was that if they hadn't volunteered they would have expected to be paid off anyway. Only 10 per cent considered themselves to be genuinely voluntary movers who took advantage of the scheme 'while the going was good'. For most of the others volunteering meant jumpting before the guillotine fell. Another striking point is that only 12 workers (5 per cent) said they volunteered because they knew they had other jobs to go to before they left. This would seem to confirm that being allowed to volunteer for redundancy is of more benefit in theory than in

practice, at least for manual workers who comprised the bulk of the U.C.S. redundancies.

The conditions attached to the voluntary package and the economic situation in which it took place were both likely to undermine any possible advantages which the workers might have gained from voluntary redundancy. First and foremost, the slack labour market was likely to make other employers disinclined to hold positions open for manual workers until they had served out their notice with a previous employer. In the prevailing conditions, a worker who could immediately disengage from U.C.S. when he wanted would have the best prospects of lining up another job before he actually left the company's employment. The right which U.C.S. reserved to determine the date of discharge complicated things but, in fairness to U.C.S., the evidence does not suggest that the volunteers were unduly obstructed in the course of leaving once the date had been agreed. For example, 55 per cent of the volunteers left U.C.S. within two weeks of volunteering, 29 per cent left within three to four weeks after volunteering and 14 per cent left between five and eight weeks after they had volunteered. At the same time, the uncertainty surrounding their date of release and the omission of paid time off for job search from the redundancy package dissuaded many of the workers from trying to line up jobs in advance.(1)

Of course, the sooner a volunteer, with no job previously lined up, is allowed to leave, the less time he has to do something about it. When we explicitly asked,

'Did you have another job to go to before you left U.C.S.?'

22 other workers, in addition to the twelve workers who volunteered because

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(1) This is explored further in Section 3.

they knew they had another job, said that they had. This suggests either that they managed to fix a job up between the time at which they knew they were leaving and when they actually left or that some of the other volunteers had new jobs to go to but gave other primary reasons for volunteering, such as the money. Taking everything into account, since only 34 men, 10% of the sample, had definite jobs arranged in advance, we can conclude that volunteering for redundancy from U.C.S. did not provide a running start in the job hunt.

(ii) Shipbuilding Experience and Job Expectations

Although shipbuilding has long been a staple source of employment on the Clyde it has hardly been a stable one! Given its notorious instability of employment, one might have expected the workers to express reservations about the industry despite having spent a substantial proportion of their working lives in it. Such ambivalence could emerge, for example, where a worker was fully aware that shipbuilding offered an insecure future but, at the same time, recognised the dependence of his skills on the industry. Although, on the face of it, most of our craftsmen had apparently transferable skills, 'shipyard' capabilities are frequently considered insufficiently refined by employers outside the industry. As we shall see, these considerations were fully appreciated by the men themselves. In view of this and because of the implications for patterns of job search, we decided to examine the respondents' 'allegiance' to the industry and asked (a) if, at the time of leaving U.C.S., the worker intended to find another job in shipbuilding, (b) if he would advise a young worker to earn his living in shipbuilding and (c) if he felt that a shipbuilding worker like himself had particular advantages or disadvantages when looking for a new job. The pattern of

responses was an interesting one.

Table 4.2 Proportion in Each Skill Group (1) Intending to Find New Jobs in Shipbuilding; (2) Who would Advise a Young Man to Enter Shipbuilding

Skill	(1)	(2)
Unskilled	23	35
Semi-Skilled	52	23
Skilled	45	27
Staff	36	21
Total	45	27

Just under half of the workers expressed an intention to find jobs within the industry but only around one quarter felt they would advise a new job seeker to take up employment in shipbuilding. The unskilled and the staff workers were somewhat less enamoured with shipbuilding than the skilled and even less so when compared with the semi-skilled. Comparing the numbers intending to say in the industry (136) with the numbers recommending it to others (86), many of those who felt personally 'committed' to the industry, at the same time, evidently felt that others should see it in a less favourable light.(2) The reasons for workers intending to stay in shipbuilding and, on the other hand, the reasons for respondents not recommending a future in shipbuilding to others shed further light onthis.

Table 4.3/

(2) In fact, 93 or about 70 per cent of the 136 workers intending to find new jobs in shipbuilding said they would not advise a youth to enter the industry.

Table 4.3 (a) Reasons Given By Respondents Intending to Stay in Shipbuilding; (b) Reasons Given By Respondents Not Recommending a Future in Shipbuilding

	(a) Reasons for Staying in Shipbuilding	%		(b) Why Would Not Recommend a Future in it	%
1.	good money	26	1.	no money in it	-
2.	expected jobs to be coming up in shipbuilding	15	2.	unprogressive industry	4
3.	had shipbuilding job to go to	5	3.	no future in it	58
4.	experienced in it/ only job he knew	30	4.	skills not transferable	8
5.	like shipbuilding	16	5.	no prospects for finishing trades	5
6.	nothing else in the area	3	6.	no security/too many stoppages	21
7.	other	5	7.	bad working conditions	4
	Nos. Responding	136		Nos. Responding	235
	Nos. D.K.	1		Nos. D.K.	13

The reasons given by workers for intending to stay in the industry fall into three main categories. First, an aggregate of 42 per cent gave what we might term 'positive' reasons such as (5) an explicit liking for shipbuilding work or (1) they found the money attractive. Second, 15 per cent gave the 'hopeful' reason (2) that they expected another shipbuilding job to turn up. Finally, excluding the 'other' category, 38 per cent gave reasons which, in contrast with the 'positive' responses, seem to suggest something of an 'inevitable' attachment to the industry. In other words, most of the allegiance to the industry was largely due to the historic prominence of shipbuilding in the local economy and to the men's investment of acquired skills and experience. Looking at those who would not recommend it to others, an interesting feature is that there

are few who express a clear dislike for the industry. Almost 80 per cent based their advice on a pessimistic view of the industry's future prospects or on the erratic, insecure employment characteristic of shipbuilding. An additional 5 per cent expressed a more specific view on the unfavourable prospects for finishing tradesmen due to the switch in emphasis to cargo vessels. The opinions revealed by these two questions suggest that shipbuilding was not seen as an unattractive type of work. At the same time, most of the men could not recommend the industry to others because of the uncertainty surrounding its future.

Another reason for avoiding shipbuilding emerged from the responses, shown below, to the question,

> 'On balance, do you think that a worker from the shipbuilding industry with your experience has any special advantages in looking for new work, or would you say he had more disadvantages?'

Table 4.4 Special Advantages or Disadvantages of Shipbuilding Workers Like the Respondent in Finding New Work (%)

	Special Advantages	Disadvantages
Unskilled	50	50
Semi-skilled	40	60
Skilled	32	68
Staff	50	50
Total	36	64

Fifty-one of our 328 respondents confessed not to know and, of the remaining 277, almost two-thirds (177) felt themselves to suffer disadvantages when it came to looking for another job. In the case of the staff and unskilled workers, opinions were equally divided but a majority of the semi-skilled and, particularly, the skilled workers

saw themselves to be unfavourably placed. Although the 'finishing' skills of the majority of the craftsmen were conventionally the most transferable from shipbuilding they themselves attached qualifications to this assessment which they amplified in replying to supplementary questions.

Table 4.5 Reasons Given by Respondents for Feeling Disadvantaged when Looking for New Work (%)

	(1) Skills Not Transferable	(2) Different Pace of Work	(3) Other Employers Don't Like Shipbuilding Workers	(4) Other	Nos. N.K.	Numbers
Unskilled	73	-	9	18	1	12
Semi-skilled	75	4	13	8	-	24
Skilled	55	6	25	13	-	134
Staff	43	-	-	57	-	7
Total	58	5	22	14	1	177

It is not very surprising that the less skilled men felt some doubt about the marketability of their shipbuilding experience. It is, however, interesting that a majority of the tradesmen attribute their job seach disadvantages to non-transferability of skill, and so lending more weight to the suggestions of inertia in Tables 4.2. and 4.3. For example, an electrician voiced the opinion,

> 'Employers don't appreciate the type of work in shipyards as it is too different from their own electrical work'.

And a painter explained,

> 'There is no decorating experience in shipbuilding, just straightforward painting work. The variety of work a painter gets in housebuilding is much greater than on ships'.

Such views were typical of those finishing tradesmen who felt their skills

were less transferable than an outsider might think them to be.

In addition to this and related to it was the view expressed by around one-quarter of the sample, craftsmen in the main, that employers outside the industry had an aversion to employing shipbuilding workers. A joiner put it this way.

> 'You've got to hide the fact if you are going in for building trade work. There seems to be a prejudice against shipyard men'.

This slightly perplexed opinion seems to attach an element of irrationality to the prejudice with which outside employers viewed shipbuilding workers. One electrician, however, linked the prejudice of employers to the less adaptable skills of the finishing tradesmen and to the pace of work they were supposed to be used to.

> 'I think it's held against you, because contractors seem to think shipyard workers don't work so hard. It's a different type of work altogether. In shipyards you don't need to be so skilled although they only take on skilled men'.

Clearly, a considerable number of the redundant craftsmen were under no illusions about how well received they were going to be outside of shipbuilding, apart from the state of demand in the local labour market. The reality of this discrimination against former shipyard workers was also noted by MacKay et al in their engineering based labour market study, '....engineering establishments in Glasgow tended to discriminate against employees from shipyards. This hiring standard was by no means absolute but it was nevertheless real. Discrimination arose because individuals were considered to be less skilled than their equivalents in engineering.....They were also regarded as particularly militant 'trouble makers' and persons who generally sought out temporary

employment outside their industry only when it was going through a period of lower activity. It was held that such employees could not be relied upon to stay with the plant!'(3)

As a final observation on the men's perception of shipbuilding as a possible source of new employment, we might consider their expectations of returning to employment in the consortium after having been made redundant from it. Although redundancy normally means a more or less permanent loss of jobs, the cyclical pattern of hiring and firing which shipbuilding workers had come to expect of their industry, provided good reason for at least some of them to expect past history to repeat itself. Even if they were not re-hired by the same unit of U.C.S. which declared them redundant, there existed some possibility that opportunities might open up elsewhere in U.C.S. even if only as a result of natural wastage. Such expectations may have had some influence on their job seeking behaviour after redundancy. Overall there were no great expectations of this; 40 workers, 13 per cent of the 300 workers who were asked this question, expected they would and an additional 18 (6 per cent) thought maybe.(4) The expectation was highest among the less skilled workers, 29 per cent of the unskilled and 26 per cent of the semi-skilled. It was lower in the case of the staff workers (14 per cent) and lowest of all among the craftsmen. Only 9 per cent of them expressed such an expectation reflecting their skill mix and the contraction in opportunities for finishing tradesmen on the Upper Clyde. Among those expecting or hoping to return, the most quoted reason (44 per cent) was simply that they expected to be asked

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(3) MacKay, D.I.; Boddy, D.; Brack, J.; Diack, J.A. and Jones, N.; 'Labour Markets Under Different Employment Conditions', Allen and Unwin, 1971, pp 361-362.

(4) Twenty-eight of our 328 respondents became sick or retired after redundancy and were not required to answer most of the questionnaire.

back while 26 per cent said they thought they would get another job elsewhere in the group.

(iii.) Personal Characteristics and Job Expectations

In addition to probing the men's views and opinions on ship-building and U.C.S., we also asked a more general question,

> 'Before you left U.C.S., did you expect that it would be easy to find a new job?'

On this point, opinion was evenly divided; 160 respondents (49 per cent) felt that it would be easy and 155 (47 per cent) felt the opposite while 13 men weren't sure one way or another. The most optimistic were the staff workers 60 per cent of whom expected it to be easy, followed by the unskilled (52 per cent) and skilled workers (51 per cent). In contrast, only just over one-third (35 per cent) of the semi-skilled anticipated that it would be easy to get back into work. As well as having the least confidence about the transferability of their skills, they also happened to be the oldest of the four skill groups. There were more than twice as many of them (46%) aged 50 or over as in the rest of the sample (22%) and they were very aware of the disadvantage this was likely to prove. Of the workers who didn't expect to find another job easily, 56 per cent attributed their pessimism to the generally bad job situation and another 25 per cent mentioned their age. In the case of the semi-skilled, however, no less than half cited age as their main problem compared with only 18 per cent of the remainder who anticipated difficulties.

Taking the opinions of the 160 optimistic workers into account, 30 per cent thought there were jobs to be had, 33 per cent felt their skill and experience would stand them in good stead, 5 per cent considered their age favourable, another 5 per cent were prepared to take anything

and finally 30 per cent gave 'other' reasons. Most of the latter, in fact, gave reasons which, without being wholly confident were still based on the expectation that things would improve or jobs would show up through the informal network,

> 'I thought work would pick up after the holidays as usual',

or

> 'It goes through the grapevine who wants fitters'.

This last observation raises the question of occupational allegiance which was also likely to influence patterns of job search. We pursued this by asking,

> 'When you left U.C.S., were you looking for the same type of trade or occupation as you had there?'

Table 4.7 shows the pattern of response.

Table 4.7 Was the Respondent Looking for the Same Trade or Occupation at the Time of Leaving U.C.S. (%)

	Yes	No	Nos.D.K.	Numbers
Unskilled	46	54	-	24
Semi-skilled	43	57	-	42
Skilled	88	12	4	220
Staff	79	21	-	14
Total	77	23	4	300

As expected those with least investment in acquired skills were less intent on seeking out a similar job than those who had most to lose from abandoning their usual occupations. The most frequently quoted reason by all the skill groups for wishing to stay in the same line was their training or experience in the job. This was, predictably,

highest in the case of the tradesmen (77%) and lowest for the unskilled workers (36%) with the semi-skilled (56%) and the staff workers (46%) coming in between. Financial reasons like 'good wages' did not figure prominently in the responses of any of the occupational groups.

This brief review of the redundant workers' own assessment of their situation suggests that they were more attached to their usual jobs than they were to the shipbuilding industry. At the same time, they were clearly aware that craft skills suitable for shipbuilding were less acceptable elsewhere. As a result, shipbuilding continued to hold some attraction for a considerable number of them. For example, almost half of the tradesmen intended to find their next jobs in the industry but, at the same time, would not advise young workers to put themselves in a similar situation of dependence on shipbuilding.

3. Job Search Motivation

Having reviewed some of the factors which may have had some influence on the men's behaviour after redundancy, we now consider some aspects of that behaviour. In a redundancy situation some workers, for example single men, will have a less urgent need to get back into work than others, like married men with young families. One would expect such differences to influence each respondent's own assessment of his situation and to be reflected, for example, in the time it took him to find another job. Other factors besides family responsibilities, would be likely to enter into each individual's assessment of his situation. An older worker, for example, might deem it very important to get back into work quickly on the grounds that the longer he was out of a job, the less likely the chances of him finding one. Or, conversely, if he were near retirement age he might consider it unimportant since he

would be quitting the active labour force soon anyway. To shed some light on the men's motivation we now look at (i) the importance they attached to finding other jobs quickly, (ii) the numbers of employers they contacted and (iii) their preparedness to leave home for a new job.

(i) Importance of Finding a New Job

In trying to evaluate what attitude of mind the men brought to looking for new work, we asked

> 'At the time you left U.C.S., how important was it for you to get back into work quickly - very important, quite important, not important?'

Almost 70 per cent (206) of our 300 active job seekers considered it very important, another quarter (69) felt it was quite important and 25 individuals (8 per cent) thought it not important. So, despite the unpromising employment situation in Glasgow, around one-third of the job seekers considered finding a new job quickly was of less than the utmost importance. Looking at some of the factors likely to be associated with this attitude of mind, the clearest dichotomy emerged in the case of marital status. Only 42 per cent of the 56 single men considered it very important to find a job quickly as against 75 per cent of the 242 married men. Moreover, the more dependents a man had the more likely he was to express a sense of urgency. For example, only 61 per cent of men with no dependents felt it very important. This rose slightly to 68 per cent for men with one or two dependents. It rose more dramatically to 89 per cent for men with three dependents and to 88 per cent for men with five. Men with four dependents, however, were an exception. Only 6 of the 10 men in this category thought it very important.

An interesting and generally corresponding pattern emerged when we took age into account. For example, 78 per cent of men in their 30's answered 'very important' to our question compared with 67 per cent of men under 30. Since a man's family responsibilities are usually at a peak in his 30's this result was not unexpected.(5) Men in their 40's were also concerned about finding work quickly but somewhat less so (71 per cent) than the 30-39 age group.

Why did the men evaluate the situation as they did? The reasons given by those expressing greatest urgency were, by and large, self-evident. For example, 80 per cent of the 206 men who replied 'very important' merely said they 'needed the money' or 'had the family to support'. Another 15 per cent said they 'didn't like being idle'. Of those who attached less importance to finding another job, about half gave reasons which suggested they looked upon their redundancy as an opportunity to take a conscious, if temporary, respite from the working routine. For example, 26 of them (28 per cent) said it gave an opportunity to 'take a break', 17 (18 per cent) felt that their severance pay allowed them to afford some time off. Twenty-two respondents (23 per cent) who did not feel it was very important to get back into work, nonetheless considered it quite important either because they needed the money or they didn't like being idle. As one respondent put it,

> 'It's not just financial - it's the feeling of being rejected, not wanted. It's a psychological thing'.

The remaining quarter found themselves in circumstances which had a lot to do with their lower motivation. For example, 8 per cent said they were either 'near retiral' or 'getting on in years' and 14 per cent either said

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(5) 82 per cent of the active job seekers aged 30-39 had two or more dependents compared with 33 per cent of those under 30 and 34 per cent of the other age groups taken together.

they themselves were not keeping well or that illness in the family was a handicap at the time. Only two workers said it was not important to get back into work quickly because the money being offered by any jobs going didn't make it worthwhile.

Another possible indication of motivation is the point in time when they actually embarked on the job hunt. Less than one quarter (69) of the 300 active participants in the labour market claimed to have started looking before they actually left U.C.S. Of those who looked before, 4 per cent started less than a week before leaving, 51 per cent 1 to 2 weeks before and another 23 per cent 3 to 4 weeks before. The remaining 22 per cent claimed to have started looking over 5 weeks before they actually left U.C.S. In the case of the 230 men who started looking after leaving, 96 (42 per cent) did so within a week, 69 (30 per cent) 1 to 2 weeks after and another 29 (13 per cent) 3 to 4 weeks after. Altogether, 79 per cent of the job seekers set about looking for a new job either before or within 2 weeks of leaving U.C.S. which does not suggest undue complacency on their part.

This is illustrated by the reasons given for waiting until after which fell into four main categories. First, 60 workers (26 per cent) felt they got too short notice. This is at first glance surprising since only twenty five men left U.C.S. with under a week's notice or within a week of volunteering. However, it is important to recognise that although men may have volunteered for redundancy some time before they actually left U.C.S. the notice given them of their actual date of release could still be and often was considerably shorter.(6) In addition, a man's assessment of adequate notice would also depend on how he actually looked for a job and the time he spent in so doing. Relying on the 'informal net-work'

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(6) This was something which we shall later see complicated things for the Department of Employment.

would, for example, involve little time or effort whereas actually going round prospective firms would involve some cost, particularly if undertaken in normal working hours. If a worker was unprepared to accept such job seeking costs and used only his spare time to sound the market out it becomes more understandable that one or two weeks' notice is considered inadequate. In fact, the second major reason, given by 42 workers (18 per cent), for waiting till after was that they didn't want to lose any wages through taking time off. From this emerges the reasonable hypothesis that when job availability is (believed to be) low, the rational economic decision is to maximise earnings up to redundancy and the less inclined will workers be to take time off on 'wild goose chases'. This helps to underline a major deficiency in the redundancy scheme from the workers' stand-point, namely the failure to allow paid time off for job search.

Another 20 per cent took a holiday between leaving U.C.S. and starting to look for another job. This is hardly surprising, however, since 65 per cent of the workers were made redundant in the summer months of June, July and August and would have been entitled to a summer holiday even if they had made no formal arrangements for one.(7) The last major group (19 per cent) of responses was the catch-all 'other' category. On closer examination we found that, rather than choosing to bide their time, the men were often constrained by particular circumstances. For example, 17 per cent of the 42 'other' responses were due to the men being ill at the time of redundancy. Another 31 per cent were either on shift work or felt that the conditions attached to the voluntary redundancy scheme didn't make it worth their while to look before. As one man put it,

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(7) Of the 46 workers who said they waited until after leaving U.C.S. before looking for work because they first had a holiday, 34, or almost three quarters, were made redundant in June, July or August.

> 'If I'd had a job I wouldn't have got the redundancy payment'.

The reservations which we have already expressed about the benefits of the U.C.S. voluntary run-down were also echoed by a worker who explained,

> 'U.C.S. were undecided when we were actually leaving. I thought there was no point in looking until I was free to accept'.

These last two comments expose the difficulties of reconciling the company's objectives, achieving control over the run-down, a balanced labour force and minimising the costs of the exercise, with the objective of redeploying the redundant workers to their best advantage. It was also clear from several responses that at least some of those who received money in lieu of notice were confused about the implications of this. One respondent, for example, explained

> 'I wasn't allowed to take a job as I had been paid for four weeks'.

Another interpreted it less drastically,

> 'We had a week's pay for notice so there was no point in going to the employment exchange'.

Clearly, in some cases at least, the role of the employment service as a job finding agency was being confused or equated with its other function, the payment of unemployment benefit.

(ii) Numbers of Employers Contacted

The number of employers contacted, by itself, cannot be taken as a reliable indicator of motivation since it will be affected by a man's 'employability' and his time out of work as well as the intensity of his job search. Such considerations are later taken into account using regression analysis but, for the moment, we compare the number of

employers contacted by the U.C.S. workers with the experience of a national sample interviewed by S.R. Parker et al in 1969.(8)

Table 4.8 Number of Employers Contacted To Find Another Job, U.C.S. Workers and a National Sample of Redundant Workers (%)

Employers Contacted	U.C.S.	Employers Contacted*	National Sample
None	3	One	57
One	30	Two	8
2 - 5	28	3 - 5	15
6 - 10	17	6 - 9	9
11 - 20	13	10 - 21	6
21 - 50	7	22 or more	3
Over 50	1		
Don't Know	2		2
Numbers	300		1775

* Note: For the sake of comparison, Parker's class intervals have been increased by one because he asked for employers unsuccessfully contacted before finding a job while the U.C.S. survey included the successful contact as well as the unsuccessful ones.

Source: Parker et al, op. cit., p.92

The U.C.S. Survey asked,

'After you began looking for new work, how many different employers did you contact or approach before you got a new job (or to present date if continuously unemployed)?'

Despite slightly different class intervals, the data can still be usefully

(8) Parker, S.R., Thomas, C.G., Ellis, N.D., and McCarthy, W.E.J., 'Effects of the Redundancy Payments Act', H.M.S.O., 1971

compared. In the case of the U.C.S. workers, 3 per cent found their first job not by contacting an employer but through an employer or an employer's representative contacting them. Another 30 per cent were successful on their first contact. In other words, only 33 per cent of the U.C.S. workers managed to find another job in one transaction compared with 57 per cent of the national sample. At the other end of the distribution, only 3 per cent of the national sample had contacted 22 or more employers in the course of their job search against around 8 per cent of the Clydesiders. Without taking time into account, we cannot at this stage make any judgment on the relative intensities of the respective workers' job search but the U.C.S. workers were clearly obliged to undertake greater activity than the national sample. The average number of employers contacted by the 300 U.C.S. workers was 7.7 compared with 3 for the national sample. There was some variation by both skill and age group.

Table 4.9 Average Number of Employers Contacted by Age and Skill Category

	Av. No. Employers Contacted	Age	Av. No. Employers Contacted
Unskilled	10.6	Under 30	7.7
Semi-skilled	7.7	30 - 39	9.5
Skilled	7.5	40 - 49	9.1
Staff	6.2	50 and over	4.5
All	7.7	All	7.7

The unskilled workers came into contact with more employers than the overall average and the staff workers with slightly less. When we look at age, the workers between 30 and 50 tended to contact more employers than those under 30. This may have reflected greater urgency

or alternatively it may have been due to the greater attractiveness of the younger workers to employers. Men over 50 contacted the fewest employers of all. Clearly, in their case, it was not due to their appeal to other employers. On the contrary, this appears to signify a 'discouraged worker effect' a conclusion which is reinforced by the evidence of the following chapter.(9)

(iii) Preparedness to Leave Home for a New Job

In introducing the idea of mobility, we first established whether a respondent had changed address since leaving U.C.S. and why. Of our 300 active job seekers, 70 had moved house and 32 of them said they had done so for work reasons. The 230 non-movers were then asked,

> 'When you left U.C.S. did you ever think seriously of leaving your home town to look for work elsewhere?'

To this question, 92 men replied that they had, 50 per cent either having actually moved away (and back again) or investigated the possibility while 44 per cent said they only thought about it. Six gave some 'other' response. Most of the non-movers, 138, said that they hadn't given it any serious consideration, the most common reason (42 per cent) simply being that the men wanted to stay in their home environment. This was followed by 'age' (20 per cent) and 15 per cent also said that they had got a job and didn't have to think of moving.

From this brief review, we can see that while substantial numbers had thought of moving many were not prepared to sacrifice their social and family relationships to take up a job elsewhere. We must recognise, however, that the men had no firm prospects of work away from home. Consequently, one must strongly qualify the idea of equating their

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(9) 'Discouraged'workers are those unemployed workers who, in recession, give up the apparently hopeless search and withdraw from the labour market. For a discussion of this see Mincer, J., 'Labour Force Participation and Unemployment: A Review of Recent Evidence' in 'Readings in Labour Market Analysis', ed by Burton, J.F., et al, Holt, Rinehart and Winston, 1971.

attitude towards mobility with their work motivation. Clearly, a decision to negotiate an unfavourable employment situation within one's home area rather than take a chance in an unfamiliar environment with uncertain prospects was not an unreasonable one.

In any case, the men's preparedness to move was high compared with that of other redundant manual workers previously studied. For example, altogether 124 (41%) of the U.C.S. job seekers had either moved away or had considered moving away to take another job. Wedderburn's study of redundant railwaymen reported 'the strength of their ties to their stable close knit communities was clearly seen ....only a quarter had considered moving house in order to get a job'.(10) And Kahn's survey of redundant carworkers revealed that 29 per cent had considered moving.(11) Even if we apply a stricter definition than Kahn and Wedderburn and exclude all those who only thought about moving and did nothing about it, we are left with 78 men (26%) who moved or investigated the possibility olosely. This still compares well with previous similar situations and indicates that many of the U.C.S. workers considered this option seriously.

4. Job Search Methods

Table 4.10 below shows the extent to which various methods of job search were used by the 300 job seekers.

Table 4.10/

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(10) Wedderburn, D., 'Redundancy and the Railwaymen', Cambridge University Press, 1965 p.142

(11) Kahn, H.R., 'Repercussions of Redundancy', Allen & Unwin, 1964, p88

Table 4.10 Methods of Job Search (%)

	Used	Not Used
1. Friend or Relative	39	61
2. Advertisement	51	49
3. Gate Notice	17	83
4. Trade Union	28	72
5. Employment Exchange	73	27
6. 'Off Chance'	61	39
7. Private Employment Agency	2	98
8. Other	5	95

There were only three ways in which a majority claimed to have looked for work, first and foremost the employment service, applying 'on the off chance' and answering advertisements. These three most important methods were followed by 'friends or relatives' and the trade union. The prominence of the Employment Service in the redundant workers' pattern of job search is worth commenting upon since it is greater than in a number of previous British studies of redundancy.(12)

Rather than leaving our respondents to mention spontaneously what channels of job search they pursued, our question on job search methods asked,

> 'When you began to look for another job after U.C.S. did you look for work in any of the following ways?'

Eight ways of looking for another job were then itemised and the respondent's answer recorded. This method of putting the question is likely to jog the respondent's memory but, even so, it will apply to all methods of search used thereby permitting a more reliable comparison between different methods. This, in any case, is unlikely to explain the prominence of the Employment

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(12) See, for example, Wedderburn, op. cit., p.147 and, by the same author, 'White Collar Redundancy', Cambridge University Press, 1964, p. 24. Also, see Reid, G.L., 'Job Search and The Effectiveness of Job Finding Methods', Industrial and Labor Relations Review, July 1972.

Service in the U.C.S. case especially since it is generally younger, more skilled workers, like many of those from U.C.S., who tend to avoid using it.(13) The most obvious explanation is that the prevailing employment conditions and the relatively long post-redundancy unemployment of the workers, discussed in the following chapter, pushed them into greater contact with the Employment Service.(14)

Besides the variety of job search methods used, the number of ways different workers used is interesting. Table 4.11 shows the average number of methods used by skill, age and time out of work.

Table 4.11 Average Number of Job Search Methods Used by Skill, Age and Time out of Work

	Av.	Age	Av.	Time out of Work	Av.
Unskilled	2.12	Under 29	2.17	Under 1 week	1.84
Semi-skilled	2.17	30 - 39	2.35	1 - 2 weeks	1.75
Skilled	2.32	40 - 49	2.41	3 - 4 weeks	2.17
Staff	1.50	50 - 59	2.25	5 - 8 weeks	2.27
All	2.25	60+	1.84	9 -16 weeks	2.84
		All	2.25	17 -26 weeks	2.65
				Over 26 weeks	3.05
				All	2.25

Overall, the pattern of job search was not extensive. On average, just over two methods of job search were used by the sample as a whole. Length of time out of work seemed to have the greatest influence on the number of job search methods used. Quite simply, the longer a man was out of work the more he was likely to cast his net wide in the hope of finding another job. The staff workers tended to use less avenues as did the over 60's. In the case of the older workers, this, like their

(13) See, for example, 'Manpower Policy in the United Kingdom', O.E.C.D., 1970, p.161 and MacKay, D.I. et al, op. cit., p.354

(14) Chapters 7 and 8 evaluate the image and effectiveness of the Employment Service in greater detail.

few contacts with employers, probably indicates resignation to their fate in the prevailing circumstances. At the same time, as shown in the following chapter, the over 60's were longer out of work than the rest. Yet it is clear that those out of work longest used more methods of looking for work. The likeliest explanation is that while the over 60's were probably discouraged or pessimistic job seekers, their narrow range of methods was outweighed by the more extensive search activity of the younger workers with equally long time out of work.

A final commentary on the men's job search experience is provided by their choosiness in selecting new jobs. In fact, the question of choice hardly arose. We asked,

> 'After you began looking for work and before you got a new job (or up until present date if continuously unemployed) did you receive any definite offers of jobs which you turned down?'

Only 44 workers (15 per cent) acknowledged that they had. Over three-quarters had either turned down one (19 workers) or two offers (15 workers). Only ten workers claimed to have turned down more than two. Most of them, 38 workers, turned down the offers after they left U.C.S. and, in the main, soon after leaving U.C.S. Only five workers turned down jobs after they had been out of U.C.S. for over eight weeks. The most common reasons given for turning the offers down were that the pay was poor (39 per cent) and that travel was too inconvenient or the job would have involved living away from home (32 per cent). Only three workers turned down a job offer because they had another job to go to - an additional reflection on how little choice the majority seemed to have.

5. Conclusions

This chapter was concerned with job search and the factors affecting it. Although most of the men had volunteered for redundancy which is

believed to offer a running start in the hunt for new employment, few managed to line up jobs in advance. Employment conditions and the terms of the redundancy programme help to explain this.

The men's attitude towards shipbuilding was mixed. Although almost half intended finding other jobs in the industry this was because most felt their skills put them at a disadvantage outside shipbuilding not because they felt any confidence in its future. Less than one-fifth harboured any expectations of finding future jobs back in U.C.S.

Attachment to occupation was high especially and understandably so amongst the craftsmen. Consequently, 77% said they were looking for the same occupation as at U.C.S. Expectations about employment prospects were evenly divided, nearly half thinking it would be easy to find another job while 47% expected difficulties. The most pessimistic were the semi-skilled workers who also happened to be the oldest.

Most of the workers, particularly married men with family responsibilities, felt it very important to get back into work quickly because they needed a regular income. Even so, under a quarter started the job hunt before redundancy. This did not, however, indicate undue complacency. Awkward hours of work and the conditions of the redundancy programme, particularly its failure to allow paid time off, put difficulties in the way of earlier job search.

In comparison with a national sample of redundant workers, the Clydesiders had to contact a high number of firms in the course of the job hunt reflecting the fewer opportunities open to them. Older men contacted fewer employers which can best be explained by discouragement in the job search.

In comparison with previous studies, the general preparedness to leave or seriously consider leaving home was high. Even if we exclude workers who gave it serious thought but did nothing about it, over a quarter of our respondents had moved home for a job or investigated the possibility. The most common reason for not thinking about moving was simply attachment to the home area, a sentiment by no means peculiar to this particular set of redundant workers.

Relatively few avenues of job search were pursued by the U.C.S. workers, the most prominent being applying 'on the off chance' and the employment service which, in comparison with previous studies, was particularly heavily used. Given the relative youth and high skill level of the sample it is clear that prevailing employment conditions had much to do with its prominence. While, on average, the job seekers used just over two methods of job search, a more extensive pattern of job search was found in the case of those with longer time out of work. Comparing the average number of search methods used with the higher average number of employers contacted suggests that when workers increased their search activity they did it not by extending their range of methods but by intensifying their activity along a particular channel. A final comment on the position of the U.C.S. workers is the fact that only 15% were given the option of exercising any choice and turning down jobs they considered unsatisfactory.

Chapter 5

Employment and Unemployment After Redundancy

1. Introduction

A redundancy like that at U.C.S. poses serious questions for the workers involved, for the economy and for policy makers. For example, can the disorientation and unemployment which almost inevitably ensue be minimised by policy measures? Can the disemployed workers be directed into jobs and activities which best meet the needs of the economy to the advantage of or at least cost to those involved? Such considerations can be evaluated in a number of ways.

Looking at the pattern of mobility which resulted we can, for example, identify which industries the workers moved into, whether they maintained their earnings, were obliged to abandon their acquired skills and whether they had to move away from their home area to find alternative employment. These issues we take up in the following chapter. Some workers, however, did not take up other jobs after redundancy through sickness, retirement or because they were unsuccessful in the job hunt. Our survey allowed us to identify these groups and also to judge whether withdrawal from the labour market was voluntary or not. In any audit of the impact of redundancy, the unemployment suffered by the workers must be a major element. And any assessment of manpower policy, besides examining the placement activity of the employment service, must also investigate the effectiveness of the financial support offered by measures like unemployment benefit and redundancy payments. These are some of the important areas which we explore in this and following chapters.

Section 2 initially establishes what the employment status of our respondents was in the aftermath of redundancy. Much of our questionnaire was not applicable for the continuously unemployed and even less so for

those who withdrew from active participation in the labour market through sickness or retirement. Our discussion of the sick and retired in section 2 is consequently brief. Section 3 evaluates the experience of the continuously unemployed. In section 4, using regression analysis, we consider a number of factors, including unemployment benefit and redundancy pay, which might help to explain the variance in the unemployment suffered immediately after redundancy. Section 5 provides a concluding summary.

2. Labour Market Status After Redundancy

After leaving U.C.S., 300 (91%) of our realised sample remained active in the labour market and 28 (9 per cent) withdrew from it, 12 men because they were continuously sick and 16 men because they decided to retire. Not all of our active participants, however, had managed to find another job by the time of interview. Of the 300 active job seekers, 36 (12 per cent) had been continuously unemployed which was exceptionally high in comparison with other recent studies of redundancy in this country and, at first sight, a forewarning of the wider experience of the rest of the sample.[1] We look, first of all, at those who stayed in the labour market.

(i) The Active Job Seekers

Tables 5.1 and 5.2 below show the age and skill characteristics of the 300 active participants, 264 successful and 36 unsuccessful.

Table 5.1 Skill by Employment Experience of 300 Active Job Seekers. (%)

Skill	Had a Job	Continuously Unemployed	Numbers
Unskilled	88	12	24
Semi-skilled	72	28	42
Skilled	92	8	220
Staff	86	14	14
	264	36	300

1. At interview, 2.9% of the West Midlands engineering workers studied by MacKay (1972) op. cit. were continuously unemployed, 5% of Wedderburn's railwayment (op. cit., p.76) and none of Kahn's car workers (op. cit., p.141)

The semi-skilled workers clearly experienced the greatest difficulty after redundancy. Over one quarter of them had never been able to find another job. We saw in the previous chapter that the semi-skilled workers were very conscious of their dependence on shipbuilding as a source of employment. Although many tradesmen also had reservations about the transferability of their skills they, at least, had their tradesmen's papers to offer. Table 5.1 also suggests paradoxically that being unskilled proved less of an impediment to re-employment than having the more specific, yet unrefined, skills of the various tradesmen's 'helpers'. Whatever the plausibility of this explanation, Table 4.6 also showed that the semi-skilled workers in the total sample suffered from a greater age disadvantage than the other three groups. This age disadvantage remains when we consider the active job seekers separately from those who withdrew from the market. For example, 16 (38 per cent) of the 42 semi-skilled workers who actively searched for a job after U.C.S. were 50 or over compared with only 17 per cent of the active job seekers in the other occupational groups. Table 5.2 shows the post redundancy employment experience of different age groups.

Table 5.2 Employment Experience by Age of 300 Active Job Seekers (%)

Age	Had a Job	Continuously Unemployed	Nos. N.K.	Numbers
Under 30	97	3	-	101
30 - 39	94	6	-	71
40 - 49	89	11	-	63
50 - 59	72	28	-	40
60 +	58	42	-	24
N.K.	-	-	1	1
Numbers	264	36	1	300

There is a clear and inverse relationship between age and job finding success after leaving U.C.S. which becomes much more marked at the apparent

watershed of 50. Since over twice as many of the semi-skilled workers were over 50 any skill disadvantages which they may have suffered from were obviously not compensated by their age. Our regression analysis investigates the relationship of age and skill with unemployment more comprehensively.

(ii) The Sick and Retired

Those twenty eight respondents who withdrew from the labour market through retirement or ill health were predictably older and also less skilled than the active job seekers. All but one of the former, and only 21 per cent of the latter, were over 50. Similarly, 12 (43%) of them were in the lower skilled groups in comparison with 22 per cent of those who continued to look for work. While the continuously sick workers had little choice about it there was some evidence that not all of the 16 workers who retired did so voluntarily. Six of them, for example, were under retirement age at the time they were made redundant and eight had either looked, or considered looking, for another job since leaving U.C.S. Moreover, if given the choice, ten of them would have elected to stay at work with U.C.S. rather than retire when they did. Had the opportunity presented itself a substantial number of the retired workers would have chosen to remain active in the labour force.

3. The Continuously Unemployed

The predicament of the continuously unemployed workers provided greater cause for concern than that of the retired workers if only because they had no option but to stay in the labour force. By the time they were interviewed, however, all of them had been out of work for over 26 weeks.[2] It was less than surprising to find that the long term unemployed were

2. When interviewed, the continuously unemployed had been out of work, on average, for 44 weeks. In comparison the average transitional unemployment of the successful job seekers was just under 9 weeks while their average total unemployment since leaving U.C.S. was 15 weeks.

both older and less skilled than those who had managed to find another job.

Similar proportions of the successful job seekers and the continuously unemployed were in the unskilled (8%) and staff (5%) categories. But only 53 per cent of the continuously unemployed were tradesmen and 33 per cent were semi-skilled compared with equivalent proportions of 76 per cent and 11 per cent for those who found other work. An age comparison revealed that only 22 per cent of the continously unemployed were under 40 compared with 62 per cent of the successful job seekers. Conversely, almost 60 per cent of the former were over 50 in contrast with only 16 per cent of the latter.

Such long term unemployment was bound to be disheartening. The men could, understandably, have become resigned to the situation or they might have reacted in a different way such as lowering their job requirements in the interests of getting back into work in any way possible or embarking on retraining to make their skills more marketable. To investigate these possibilities, we first asked a two stage question,

> 'When you first became unemployed were you looking for:- a better job than before; the same kind of job; a different kind of job; any job?'

This was then followed by,

> 'And now you are looking for ... etc.?'

The answers to these two questions showed that the men's job requirements had dropped as a result of their frustrating experience since leaving U.C.S.

Table 5.3 The Unemployed Workers' Job Requirements (a) At Redundancy (b) At Time of Interview (%)

	Kind of Job Wanted					
	A Better Job	Same Kind of Job	Different Kind of Job	Any Job	Nos. N.K.	Numbers
At Redundancy	11	49	3	37	1	36
At Interview	-	26	3	71	1	36

When made redundant, about one-third of the unsuccessful job seekers were prepared to take any job which presented itself. Four workers (11 per cent) aspired towards a better job and about half intended to find a

similar job. As a result of their long unemployment, their ambitions took a decided drop. At the time of interview almost three-quarters of them were prepared to take anything that was going and no workers hoped to improve on their position at U.C.S. Although they had not abandoned the job hunt, their demoralising experience had certainly made the continuously unemployed 'disillusioned' workers.[3] In view of their age, however, as well as immediate prospects it was no surprise to find that retraining was not seen as an 'escape hatch'. Only two of them had considered getting a new skill or qualification since being made redundant.

Further questioning allowed the continuously unemployed to give their own appraisal of the situation. When asked why they thought it was so difficult for them to find another job, just over half attributed their difficulties to the prevailing employment situation and just under half to their age. The latter inevitably were the older men in the group, as table 5.4 shows.

Table 5.4 Why Continuously Unemployed Thought it Difficult to Find Another Job By Age (%)

Age	My Age	The Bad Employment Situation	Prospects For 'My Skill'	Numbers Not Known	Numbers
Under 40	-	100	-	-	8
40 - 49	17	83	-	1	7
50 - 59	55	36	9	-	11
60 - 64	90	10	-	-	10
	46	51	3	1	36

We followed by asking how they rated their chances of getting a job soon and what they thought would improve their chances of getting back into work. It was surprising, in view of their experience, to find that as many as $\frac{1}{3}$ of the continuously unemployed thought their chances of finding work soon were either good or very good. Table 5.5 shows the expectations of the different age groups.

3. When interviewed, only one man over 60 said he was no longer looking for work.

Table 5.5 How The Continuously Unemployed Rated Their Chances of Finding Work Soon By Age (%)

Age	Very Good	Good	Very Poor	Hopeless	Numbers N.K.	Numbers
Under 40	25	25	25	25	-	8
40 - 49	-	67	-	33	1	7
50 - 59	9	18	27	46	-	11
60 - 64	10	-	40	50	-	10
	11	23	26	40	1	36

None opted for the middle term 'poor' on the five point scale presented to them. On balance, those under 50 were fractionally inclined to be optimistic while those over 50 were markedly pessimistic. On top of the responses in the previous table, this suggests that the over 50's had resignedly concluded that their age was a less transitory obstacle to re-employment than the prevailing employment conditions. Although the post redundancy experience of those under 50 had not been easy, their pessimism was not deepened to the same extent by an awareness of an additional age disadvantage.

To establish how the continuously unemployed felt they might get out of their predicament we asked,

> 'What do you think would improve your prospects of getting back into work?'

Table 5.6 shows the type of views expressed.

Table 5.6 Opinions of the Continuously Unemployed On What Would Improve Their Prospects of Re-Employment (%)

More Work Coming to Scotland	More Orders In Shipbuilding	Change in Government Policy	Improvement In Health	Less Discrimination on Grounds of Age	Other
10	20	10	5	25	30

'Other' covered a diverse range of comments including for example,

> 'joining the Freemasons or some such organisation - can't get a job off your own bat; need some kind of influence';

> 'Ian Stewart could have made Fairfields pay if they had left him to get on with the job'.

While several workers reached the apocalyptic conclusion,

> 'Another war - it's the only hope at my age'.

After this variety of observations, it was indeed age which was most frequently quoted as a disabling factor. Many of the workers affected had become resigned to it. A typical comment was,

> 'Nothing, when you get to my age and work is scarce, I'm afraid you've had it.'

The remaining comments concentrated mainly on the need to increase economic activity in Scotland or more particularly, to stimulate shipbuilding on the Clyde. Some of the outfitting tradesmen felt that the type of vessel built also had to be taken into account. A 35 year old joiner put it,

> 'Building some passenger liners. That's the only way it would improve prospects for me.'

The sense of individual helplessness in the daunting circumstances is aptly captured by the electrician's helper who suggested,

> 'A different Government. I think the Tories are not interested in Scotland as a place of work. They want to keep it for holidays and grouse shooting.'

4 Unemployment After Redundancy

The development of economic policy in this country as in most others has, in the post war period, been based on the general concensus that involuntary unemployment is both an economic and social evil. It imposes private economic costs on the worker through loss of income as well as wider economic costs on society through loss of potential output and through the payment of unemployment and other social security benefits. In addition, if extensive, it can impose less tangible but no less real psychological costs on the individual through an erosion of self-esteem and lead to a disruption in social and family cohesiveness through an alienation of the unemployed from society.(3) It goes without saying that such unemployment should be kept to the minimum.

3. See, for example, Beveridge, 'Full Employment in a Free Society', Allen & Unwin, second edition, (1960) p.248.

Some unemployment, however, can be discretionary, for example, if a worker takes a 'break' from the work routine or if he is particular about his job choice. Moreover, the attainment of 'full' employment can create other problems like regional and occupational labour shortages. These have contributed to the development of so-called 'active' manpower measures, including statutory redundancy payments (1965) and earnings related unemployment benefit (1966), in order to increase mobility and flexibility in the national labour market. Apart from work 'motivation', which might be related to family circumstances, and the influence of manpower policies a man's time out of work is also affected by labour market conditions and by his attractiveness to potential employers. Here, such factors as his experience, age and skill might be considered important.

This section, using multiple regression analysis, evaluates the post redundancy unemployment experience of our respondents and which among the above sets of factors help best to explain differences in it. Time out of work is taken as the period between redundancy and the first new job or, for the continuously unemployed, time of interview but excluding any time spent on holiday or 'taking a break'. That is, it is the time during which the worker was out of a job but actively seeking employment. First of all, to put the experience of the U.C.S. workers in a wider context, we compare their time out of work with that of the national sample interviewed by Parker, et al (op.cit.) in the early summer of 1969.

Table 5.7 Post Redundancy Unemployment of U.C.S. Workers and a National Sample of Men Made Redundant in 1968. (%)

	Weeks Unemployed								
	Less than 1	1 or 2	3 or 4	5 to 8	9 to 16	17 to 26	27-52	Over 52	Nos.
All U.C.S. Job Seekers	11	15	13	18	14	10	17	Under 1	300
Successful U.C.S. Job Seekers	13	17	15	21	16	12	6	-	264

	Under 2 weeks	Over 2 weeks to a month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months	
ıtional Sample	46	14	21	12	6	1559

Source: Parker et al., op. cit. Table 3.48

Although Parker et al. use different class intervals it is quite evident that the U.C.S. workers took considerably longer to get back into work. This conclusion holds even if we exclude the continuously unemployed from the table.(4) Of the 264 successful job seekers from U.C.S. 45 per cent were in new jobs within a month compared with 60 per cent of the national sample. Similar proportions (6 per cent), however, took between six months and a year to get back to work. Looking at each sample skill for skill, in every case the national sample appeared to find it easier to find another job than the U.C.S. workers. This suggests that the more severe employment conditions confronting the shipbuilding workers over 1969-70 caused them greater difficulty in comparison with the national sample during 1968.

Employment conditions were, of course, one of the variables used in our regression analysis which enables us to evaluate at one and the same time, the relative importance of different factors correlated with a worker's time out of work after redundancy. Other factors which, on a priori grounds and on the basis of previous labour market research, one might expect to influence time out of work would be the method and urgency of job search as well as the personal characteristics and labour market measures mentioned above.

Combinations of such variables were run in a series of regression equations. Here, we present the most 'economical' equation, that which provides the highest explained variance with the least independent variables. Before discussing the apparent implications of this regression equation, however, we must note that the number of respondents included in the analysis is less than the sample size for two reasons. First, the exclusion of the sick and retired reduced the eligible sample from 328 to 300. Second, respondents with values missing on any of the variables used for the regression equation were also eliminated. This reduces our regression sample to 259. Table 5.8 gives a preliminary indication of the relationship of the independent variable with the main explanatory variables taken individually.

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(4) This allows a direct comparison with table 3.48 in Parker et al., op. cit., which uses only successful job seekers.

Table 5.8 Average ($\bar{x}$) Transitional Unemployment (weeks) For Different Characteristics of the Regression Sample*

Skill	Number	Average Unemployment	When looked for Work	Number	Average Unemployment
Unskilled	21	19.41	Before redundancy	66	6.16
Semi-skilled	34	15.44	After redundancy	193	14.48
Shipbuilding					
Tradesmen	14	17.71	Job Search Strategy		
Finishing			Voluntary Job changers	59	5.02
Tradesmen	169	10.43	Single job holders		
'Staff'	21	12.33	and others	200	14.53
Age			Marital Status		
Under 30	92	8.03	Single or Widowed/ Divorced	50	11.73
30 - 39	65	10.30	Married with no dependent children	54	12.86
40 - 49	55	14.74			
50 - 59	31	19.68	Married with 1 or 2 dependent children	106	12.13
60+	16	23.28			
			Married with 3 or more dependent children	49	12.95

Note* Average unemployment for all 259 respondents eligible for our regression analysis was 12.36 weeks which compares with an average of 12.83 weeks for all 300 labour market participants.

The simple relationships shown in Table 5.8 suggest a number of tentative conclusions. First, we see that the finishing tradesmen and staff workers, although not finding it easy to find jobs quickly, managed to do so faster on average than less skilled workers and craftsmen with 'shipbuilding' skills such as boilermakers and caulkers. Secondly, the older a worker was, the more difficult for him to get back into work and those over 60 experienced the greatest difficulty of any sub-group of the sample. After some experimentation with various forms of marital status as a variable our ultimate regression equation reverted to a fairly simple distinction between married men and men who were either single or widowed/divorced. For the moment, Table 5.8 would seem to show that, if anything, the latter were on average back at work marginally quicker than the former.

Finally, in addition to attributes over which the men could exercise no control when made redundant, we might look at an aspect of their situation which they could influence, namely the way in which they set about looking for jobs. There are various dimens ions to this including channels of job search, the variety of methods used, number of potential employers contacted, etc. Combinations of such variables were tried and some rejected either because they contributed little to the explained variance, were insignificant or seemed to have a spurious relationship with the length of transitional unemployment. For example, workers who failed to quote the Employment Service as a job search method were back into work much more quickly than those who quoted it. This, however, did not mean that the Employment Service was a positive handicap to those using it. Rather, workers not registering with the Employment Service had no need to because they found jobs relatively quickly for other reasons.

Through this process of elimination, we were left with the two job search variables shown in table 5.8(i)Those workers who set about looking for new jobs before redundancy were back into work much more quickly than those who commenced the job search after leaving UCS(ii)The 'job search strategy' variable identifies two sets of workers. 'Voluntary job changers' are those who left their first job after UCS, voluntarily. 'Single job holders and others' include those who were interviewed while still in their first job after UCS, those who left that job involuntarily and the unsuccessful job seekers. The distinction is made on the hypothesis that voluntary job changers will try to find other, perhaps 'inferior', jobs quickly to use as a base for further search and this will be reflected in their post-redundancy unemployment. Table 5.8 would seem to support such an hypothesis which we discuss in greater detail in the following chapter. Meantime, Table 5.9 shows the results from our final regression equation.

Table 5.9 Regression Results for Post-Redundancy Unemployment

(Sample Size = 259)

(1) Variable	(2) Regression Coefficient	(3) Standard Error	(4) F Value	(5) Level of Significance	(6) R^2 Without Variable
X_1 Age dummy: 44 or less = 1	-9.02	1.91	22.25	0.01	0.158
X_2 Search strategy: voluntary job changers = 1	-6.18	1.96	9.93	0.01	0.238
X_3 When looked for work dummy: before redundancy = 1	-6.69	1.84	13.15	0.01	0.249
X_4 Job search intensity: Employers contacted/ weeks of search	-0.44	0.18	5.87	0.05	0.266
X_5 Male unemployment rate at time of redundancy:	3.19	1.42	5.04	0.05	0.266
X_6 Skill dummy: unskilled or semi-skilled = 1	5.72	1.97	8.41	0.01	0.265
X_7 Skill dummy: 'shipbuilding' trades = 1	6.04	3.56	2.88	-	0.276
X_8 Weekly unemployment benefit (£s)	0.48	0.24	3.94	0.05	0.279
X_9 Marital status dummy: single or widowed/ divorced = 1	4.98	2.42	4.24	0.05	0.271
X_{10} Redundancy Pay (£s)	0.005	0.006	0.75	-	0.281
R^2	0.283				
Standard Error of Estimate	12.52				
Constant term	-8.93				

Table 5.9 summarises the relationship between our dependent variable, post-redundancy unemployment, and the 10 independent or explanatory variables left in the regression equation after experimentation. Our explanatory variables as defined were arrived at through judgement and/or because of the results emerging in the course of our experimentation. For example, previous forms of our regression equation revealed that workers in 10 year age bands over the age of 40 experienced longer post redundancy unemployment than those under 30 but workers in their thirties did not. Further analysis dividing workers in their 40's into those under and over 45 improved our explanation by showing that workers under 45 were more akin to those younger than them and vice-versa for those over 45. That is, 45 seemed to be the key point at which age began to affect seriously the length of time out of work after redundancy. Consequently, we finished up with a simple dichotomy between workers under 45 and 45 or over. This, of course, also served to reduce our number of explanatory variables without losing much additional explanatory power which was another consideration.

To gain as much 'sensitivity' as possible our experimentation with skill variables was based on our respondents' occupational descriptions rather than their place in the conventional skill hierarchy. Preceding regression 'runs' indicated there was no statistically significant difference between the experience of finishing tradesmen and staff workers and consequently we decided to use both together as the skill reference group. We remarked in chapter 3 that U.C.S. had reservations about dividing their less skilled workers intodefinitively unskilled and semi-skilled groups. This uncertainty is, of course, by no means peculiar to shipbuilding. While such a division nevertheless does usually facilitate analysis and presentation, our earlier regression results suggested we should group them together for this piece of analysis.

Finally and before discussing our ultimate regression results, some brief words on X_{10}, 'redundancy pay' and X_8 'unemployment benefit'. The U.C.S. redundancy programme involved both statutory and non-statutory elements.

To avoid confusion we did not ask for redundancy pay as such but the total lump sum our respondents received on leaving. So, for some men, what we have termed 'redundancy pay' in table 5.9 might also include things like money in lieu of notice. While this definition of redundancy pay is consequently a liberal one we think it a fair assumption that few of our respondents would have distinguished 'redundancy pay' proper from total cash in hand in any meaningful way.

Our measure of weekly unemployment benefit was the maximum our respondents reported receiving in any one week after leaving U.C.S. Workers with post redundancy unemployment of less than a week were not asked this question since they would certainly have been ineligible for benefit. If a zero value for unemployment benefit had been 'plugged in' to the regression equation for these workers, this would have given a misleading indication of the impact of unemployment benefit for the eligible sample as a whole. So an estimated maximum unemployment benefit based on wage at U.C.S., marital status and number of dependents was assigned to them. We might note here that workers in receipt of money in lieu of notice would also not have been entitled to unemployment benefit for a given period and this is something we return to when discussing our regression results.

Our substantive results identify age, skill and job search behaviour as being the strongest factors explaining variation in post-redundancy unemployment with age being the single most potent variable. For example, column (6) showing the explained variance when each variable is deleted in turn indicates that removal of our age dummy X_1 causes the largest reduction in the explained variance. Deletion of any of the other regression variables has, by comparison, a relatively small effect on the aggregate explained variance. The sign and magnitude of the regression coefficient for X_1 shows that men under 45 experienced 9 weeks less unemployment than men over 45 and column (5) indicates that this difference was significant at the 1% level.

Taking skill into account, our first skill dummy, X_6, indicates that unskilled and semi-skilled workers suffered on average about 6 weeks more unemployment than the skill reference group, staff workers and finishing tradesmen taken together, and this was also significant at the 1% level. The other skill dummy, X_7, was left in to ascertain whether workers with more specific shipbuilding skills seemed more handicapped than men with more transferable skills. Although the regression coefficient suggests that they also were longer out of work the difference between their experience and that of the reference group could not be considered statistically significant.

Some intriguing results emerged in the case of those variables, X_2, X_3 and X_4, which are basically about job search behaviour. A particularly interesting comparison can be made between X_3 and X_4. Although, in the case of X_4, column (5) indicates there was a significant difference (0.05) between the transitional unemployment experienced by assiduous job seekers and those who contacted fewer potential employers over the search period, the magnitude of the regression coefficient is small. This would suggest that the energy expended by the intensive job seekers had little substantive impact on their time out of work. Or, conversely, those who were less energetic in the active job search did not suffer very much more than those who were more energetic. This does not, of course, mean that those with low search 'intensity' as defined were not interested in finding a job. They could have been receiving job information informally via word of mouth, etc. But X_4 does suggest that, in a situation of high unemployment and few vacancies, actively contacting employers is unlikely to be a very productive exercise. In contrast, X_3 indicates that those who 'jumped the gun' in the job search suffered significantly less unemployment than those who 'bided their time' and the size of the difference certainly seemed to justify the exercise. Workers who set about looking for other jobs before quitting UCS were likely to have impressed potential employers with their initiative and would not have encountered, to the same extent, the problems of competing for relatively few jobs with their fellow workers coming into an already bad labour market.

Our other market behaviour variable, X_2, as already suggested, is based on the premise that those workers who decide to find any job quickly to use as a safe 'base' will probably be unemployed for a shorter period of time than more selective job seekers. Our dummy was set up to include only those workers who left their first job after UCS voluntarily and subsequently found other work. The reference group comprised all of the remaining workers. The magnitude and sign of the regression coefficient for this variable indicate that voluntary quitters did, indeed, experience less transitional unemployment than the other workers and this difference was significant at the 1% level. In the following chapter we pursue more comprehensively the differences in the post redundancy experience of voluntary job changers and others.

Of our remaining explanatory variables, X_5 provides a measure of the prevailing labour market conditions, X_9 might be considered as another personal attribute with, however, behavioural implications, and our last two X_8 and X_{10} as 'policy variables'. Looking first of all at X_5, this is the male unemployment rate (excluding the temporarily stopped) in Glasgow for the quarter in which each respondent was made redundant. We did consider taking vacancies into account as well as using some variation of $\frac{V-U}{U}$ (i.e. $\frac{\text{number of reported male vacancies} - \text{numbers of wholly unemployed males}}{\text{numbers of wholly unemployed males.}}$)

Since, however, the level of (and variation in) vacancies over this period was swamped by the unemployment figures[5], we decided after experimentation to use the simple male unemployment rate on its own. It is worth noting in passing that a similar regression analysis reported by MacKay and Reid (op.cit.) found a vacancy variable had more explanatory potential than unemployment. The relationship between vacancies and unemployment, however, in their research situation, the West Midlands over 1966-68, was quite different from that reported here for Clydeside. Our own results suggested that the worsening employment conditions over the research period did in fact have a detrimental effect on those who left later in the run down and this was significant at the

5. See section 5, chapter 2.

5% level. The size of the correlation coefficient suggests that a rise of 1% in the male unemployment rate on average would increase time out of work by 3 weeks or so.

As we indicated previously, our regression analysis experimented with several variations of a 'marital status' dummy. One of several possible hypotheses might be, for example, that the lower levels of unemployment benefit available to single men and married men with no dependents would have heightened their urgency in finding other work by comparison with family men. Of course an alternative hypothesis that we have already considered previously is that because of their fewer commitments single men and childless married men would be under less pressure to get back into work quickly. The averages in table 5.8 presented only rough, and mixed, evidence on such hypotheses. In fact, the only significant difference (0.05) emerged when we turned to the simple distinction between married men and men who were single or widowed/divorced.[6] The correlation coefficient for X_9 suggests that it was men with little or no family responsibilities who tended to be out of work longer. The apparent conflict between this finding and the averages shown in table 5.8 is, of course, explained by the fact that measures of central tendency can be misleading when dispersion is not taken into account as well. When we do so in table 5.9 we find that the difference between single men and family men was significant at the 5% level.

Turning finally to our two 'policy variables' it is clear first of all that redundancy pay had virtually no effect on time out of work. There is a school of thought which contends that such financial protection can be responsible for an extension of voluntary unemployment. While Clydeside over 1969-1971 hardly provided a satisfactory environment to test such a hypothesis, MacKay and Reid (op.cit) also established a similar relationship between redundancy pay and unemployment in the West Midlands. Another point at issue

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6. Only one of this group was widowed/divorced, the rest being bachelors.

concerning redundancy pay is whether or not it provides adequate compensation to those losing jobs. This is something we return to in chapter 10 after we have examined post-redundancy experience in greater detail. For the moment, we might merely note that the size of the correlation coefficient of X_{10} suggests that an increase of redundancy pay of £100 would tend to increase post-redundancy unemployment by half a week but this could not be considered significant. Taken in conjunction with the employment conditions facing the redundant workers and with the generally modest severance payments received,[7] we must inevitably conclude that financial compensation had little to do with the length of unemployment following redundancy.

The correlation coefficient of X_8, weekly unemployment benefit, with post redundancy unemployment is, however, significant at the 5% level though not large. Again, the size of the relation is almost identical with that reported by MacKay and Reid. They concluded on their evidence, very similar to ours, that unemployment benefit, though not redundancy pay, did possibly lead to an element of discretionary unemployment but,

> '- - - the small partial correlation coefficient does not indicate that workers were "living off the state" for long periods. - - - In our view an increase in the period of unemployment of less than half a week for each extra pound of unemployment benefit does not seem a high price to pay for a measure which identifies and compensates those bearing the burden of labour market adjustment.'[8]

Although agreeing with this, the circumstances of the U.C.S. redundancies suggest we attach a further qualification to this apparent relationship between duration of unemployment and amount of unemployment benefit received. We previously observed that we had to make an estimate of the amount of unemployment benefit which men with less than a week's unemployment would have received if eligible. Other respondents' reported maximum unemployment

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7. Only 16% of the 300 active job seekers received severance pay in excess of £200 and the overall average was £169.2

8. MacKay, D.I. and Reid, G.L., (op.cit.)

benefit was taken at face value. Our survey, however, revealed that a number of men had received up to four weeks' money in lieu of notice which would have disentitled them from unemployment benefit. Moreover, there is a 12 day waiting period before an unemployed man becomes eligible for earnings related supplement. Indeed the average unemployment benefit (£7.5) of those with up to four weeks' post redundancy unemployment in comparison with that of the others (£12.4) suggested the former might have been reduced to some extent by institutional or administrative factors. Consequently, the apparent significance of the relationship between unemployment and the amount of benefit received might have been an artificial one. To put this to the test we estimated as before the maximum unemployment benefit, including earnings related supplement, which all men with up to four weeks' unemployment would have received if eligible. Interestingly, the magnitude of the partial correlation coefficient fell as did the significance level. Thus some doubt must surround the validity of the relationship apparently established here and possibly elsewhere as well.

Here we have been concerned with the possible influence of unemployment benefit on time out of work. Further interesting questions might be asked about how effective it was in cushioning the impact of redundancy. As with redundancy pay, we leave a more comprehensive consideration of such issues until chapters 9 and 10 following. We might conclude by noting that our regression equation succeeds in 'explaining' only around 28% of the variance in unemployment following redundancy. As MacKay and Reid point out, however, the world is not in fact populated by exclusively 'economic men' and it would be arrogant to assume that the few largely 'economic' variables examined here should, on their own, be capable of producing a substantially higher explained variance. Indeed, the explained variance compares well with that found by other cross-sectional studies and, in this context, what is more interesting is the number of explanatory variables we found to be significant.

7. Conclusions

This chapter was concerned with the immediate aftermath of redundancy. Over 90% of the sample remained active in the labour market while the others who dropped out through sickness or retirement were older and less skilled. Although a majority of those retiring would have preferred to stay on at UCS, the prevailing circumstances coupled with their age were unfavourable to their continued participation.

Of the 300 active job seekers most had been in other employment since leaving UCS but a sizeable minority (12%) had been continuously unemployed. It was older and semi-skilled workers who experienced greatest difficulty, the latter also being proportionately older than the other skill groups.

The continuously unemployed could all be considered 'long term' unemployed. One understandable result of this was a drop in their job aspirations. At time of interview, virtually all of them were prepared to take any job that was going although only $\frac{1}{3}$ would have done so when made redundant. They saw their age and the prevailing employment conditions as the major barriers to getting other work. Most of them ($\frac{2}{3}$) were pessimistic of finding other jobs soon when interviewed. Their views on what would improve their prospects were mixed. Less discrimination against older workers in living standards figured prominently as did a greater stimulation of shipbuilding and the Scottish economy generally. Retraining, however, was not seen as a possible escape hatch.

The UCS workers who remained active in the labour market did not find it easy to find other work. In comparison with a national sample of workers interviewed in the summer of 1969 they experienced substantially longer transitional unemployment which we evaluated using multiple regression analysis. This suggested that age was the most significant factor influencing the variation in the unemployment experienced by the UCS workers. Although it was men over 60 who suffered the longest unemployment after UCS, this was not significantly longer than that experienced by other workers older than 45. This was the watershed which divided the experience of the active sample as a whole.

After age, job search behaviour seemed to have the greatest effect on the extent of the unemployment suffered and, here, it was clear that the duration of unemployment was more dependent on when the job search started than on the numbers of employers contacted during the search. Other behavioural factors were significantly related to time out of work. For example, workers voluntarily quitting their first job after UCS experienced briefer transitional unemployment than the remainder. This appeared to offer some support to a 'search strategy' hypothesis holding that some workers would opt for a 'stop gap' job and shorter frictional unemployment. The following chapter pursues this in greater detail. Our main conclusion on job search behaviour therefore is that, even in a very slack labour market, the course of action taken by some workers led to significantly less time out of work than others. It is important to recognise, however, that this improvement was relative, occurring on what was a high 'plateau' of post redundancy unemployment and, clearly, if all the redundant workers had adopted the same strategies the advantages accruing, for example, to the 'early starters' would have been blunted.

In terms of personal attributes, less skilled workers and men with traditional 'shipbuilding' skills tended to be out of work longer than staff workers and 'finishing tradesmen' taken together but the difference for 'shipbuilding' tradesmen was not significant. Similarly, single men were out of work longer than married men and, here, the difference was significant.

The deteriorating employment conditions in which the run down took place did seem to have a detrimental effect on prospects of quick re-employment. In this context it was interesting to find that the amount of redundancy pay received had little apparent influence on the variation in unemployment. While the prevailing conditions would have offered little opportunity to workers to prolong their time on the market in a discretionary way by shopping around for better jobs, it is interesting to note that this finding was in line with the results of similar research undertaken in less severe unemployment conditions.

The amount of unemployment benefit received, however, did appear to have a significant if small effect on the length of unemployment after redundancy. This would not have been at variance with the intentions of, for example, earnings related supplement. In any case, our research suggested that men with under 5 weeks of unemployment may have been ineligible for earnings related supplement which almost certainly would have raised the significance of the relationship. When we adjusted for such 'procedural' factors the significance in fact fell. Altogether, there was little substantial evidence that financial labour market measures had any serious impact on time out of work.

Chapter 6

Job Comparisons

1. Introduction

In this chapter we look at the various ways in which redundancy affected mainly the working lives of the men involved. As we saw in the two preceding chapters, being made redundant meant different things for different people. For some, it precipitated retirement from the active labour force while for others, it meant an extensive spell of continuous unemployment. Most of the workers (264) however, had at some stage managed to find other jobs and it is their experience we consider here.

The repercussions of redundancy are illustrated by various aspects of the men's employment experience after leaving U.C.S. Some (123), for example, had held only one post-redundancy job at the time they were interviewed. Others (141) had held more than one job.[1] The questionnaire asked for information on the first job held after U.C.S. and also, for those who had more than one job, their present or last job at the time of interview.[2] Consequently, we can assess, in two stages, the nature of the redemployment which took place in the wake of the redundancies. The first stage clearly involves the initial jobs held by all 264 successful job seekers. The second and, by time of interview, final stage of redeployment takes into account the later moves made by those who changed jobs.[3] Since we wished to establish the total results of the dispersion from U.C.S. our analysis of the 'final' situation is based upon an amalgamation of the first and only jobs held by the single job holders with the present or last jobs of the job changers.

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1. Of these, 93 had held 2 jobs, 33 had 3 jobs, 8 had 4 jobs and 7 had 5 or more jobs between leaving U.C.S. and being interviewed.

2. 'Present or Last' because men who had held jobs nevertheless could be and were unemployed at time of interview. This point should be kept in mind. Although we do not discuss it in this chapter, the deterioration in the employment status of the sample over time was an important feature of the redundancies at U.C.S.

3. We can say nothing about the mobility which took place between the first and present or last job. As we saw above, however, only 48 workers, less than $1/5$ of the job finders, had held more than two jobs.

Having distinguished the single job holders from the job changers, we might also distinguish among the latter according to their reasons for leaving their first job after redundancy. This allows us to identify those who left voluntarily from the rest. There are good reasons to suppose that the job search strategies and the employment experience of voluntary quitters will differ from those of single job holders and also from those of workers unlucky enough to be made redundant once more. For example, contrasting the experience of voluntary and involuntary job changers, Parnes commented,

> 'The differences in the effects on wages, depending on the circumstances in which job changes occur, are perhaps even more significant. The most striking of these is the difference in wage experience of workers who lose their jobs involuntarily and those who voluntarily quit. Every study that has differentiated between those two groups has shown a markedly higher percentage of the latter enjoying an increase in earnings.' [4]

We return to these points of distinction subsequently.

Redeployment, or mobility through the labour market, occurs in different ways, industrially, geographically, occupationally - these different aspects of mobility more often than not taking place at one and the same time.[5] We take each of them up in the following sections. In each section we will be considering what happened at the first stage of redeployment and then evaluating to what extent this situation was altered by the later movements of the job changers. The following section deals with the industrial mobility exhibited by the workers. In section 3 we go on to discuss the geographical dispersion which took place. An important result of any redundancy is the qualitative impact which it makes on the working lives of the men involved. Section 4 takes up various aspects of this. We take into account some 'objective' indicators such as the changes which took place in normal take-home pay and also in the hours worked for that pay. Change in occupational status is also evaluated. Objective indicators have their place but they do not present a wholly comprehensive picture of the differences between various job 'packages'.

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4. Parnes, HS, 'Research on Labor Mobility', Social Science Research Council, New York, 1954, p.177. Also see MacKay, DL (1972) op.cit.

5. See Hunter, LC and Reid, GL, 'Urban Worker Mobility', OECD, 1968, p.26 and pp.156-9

What, for example, of considerations like 'good work mates', familiarity with the job, 'the general atmosphere' , all of which might enter into a worker's assessment of the 'net advantages' offered by different jobs? Some opinion questions allow us to explore such subjective areas in the same section. Finally, in section 5, we return to those job changers who quit their first job voluntarily. We look at their characteristics and their subsequent employment experience in comparison with the remaining workers. Section 6 presents the conclusions.

2. Industrial Mobility

The Clyde has a long and famous tradition of building ships. Consequently, apart from a network of 'service' activities being built up over time, the sons of shipbuilding workers, as chapter 4 suggested, will often be attracted to shipyard jobs and trades upon leaving school and this might also have been expected to influence the pattern of redeployment following redundancy. Daniel's observation is of some relevance here,

> 'In a homogeneous community ..... for all but a small minority, a boy's whole life, at home, at school, in the community will be preparing him for that industry. It will be taken for granted by parents and teachers who will pass it on to the boys. The men he admires and the values he embraces will be associated with work in that industry. Again the concept of choice becomes meaningless for explaining his inevitable entry into that industry.' 6

A local observer, seeing similar influences on Clydeside, expressed it a little differently,

> 'As long as ships have to be built, it's vital to the Clydeside psyche that we build them. When they stop shipbuilding here, we will all lose something within ourselves - forever.' 7

This might be a somewhat exaggerated and over romanticised view but it does manage to convey something of the dilemma which the redundant U.C.S. workers found themselves in. Referring again to chapter 4 we saw that although the workers' skills appeared not to be wholly specific to shipbuilding, they nevertheless had spent much of their working lives in the industry. Moreover, they were under no illusions about the wealth of alternative opportunities open to them. What industries, then, did they redeploy to? Table 6.1 shows the industries in which the different occupational groups involved in the run-down found their first jobs.

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6. See Daniel, WW. 'Strategies for Displaced Employees', PEP Broadsheet No.517, 1970 p1
7. Buchan, A, op.cit. p.147

Table 6.1 Industry of First Jobs by Occupation (%)

Occupation	Industry* Ship-building	Other Engineering	Other Manufacturing	Construction	Services	Numbers
1. Building Trades (Plumbers, Painters, Joiners & Polishers)	17	10	15	46	11	98
2. Electricians	27	18	1	32	23	44
3. 'Metal Trades' (Engineers, fitters, sheet metal workers, etc.)	21	56	6	4	13	48
4. Semi-skilled and Indirect Workers	25	22	5	24	24	55
5. Staff	42	21	5	11	21	19
TOTAL	23	23	8	29	17	264

*Note: Shipbuilding and Construction are single Main Order Headings while the other industry groups are amalgamated Main Order Headings of the 1968 Standard Industrial Classification.

In table 6.1 we have further consolidated our occupational categories for convenience of presentation and also because we found similar patterns of dispersion for similar occupations. Moreover, since in this instance we are interested in where different trades relocated, table 6.1 is based on our respondents' job descriptions.[8] The pattern of industrial dispersion was not an unexpected one given the skills of the redundant men. It was, for example, the 'building' tradesmen - including the electricians who were most likely to move into construction whereas it was the metal workers who were likeliest to move into engineering activities other than shipbuilding. Looking across the industrial structure, construction was the single biggest host industry followed by shipbuilding and, providing a similar number of jobs, 'other engineering' which includes metal manufacture, mechanical engineering, electrical engineering vehicles and other metal trades. These three industry 'groups' provided $\frac{3}{4}$ of the jobs found by the redundant workers at the first stage of redeployment.

8. When coding occupational categories, it is convenient to group such as draughtsmen, foremen, etc. under the rubric 'staff'. However some such workers would describe themselves as 'skilled'. Consequently, the staff category in table 6.1 differs slightly from the staff category in a table using the respondents' estimations of their skill levels.

While the cut-back at U.C.S. clearly produced a sizeable exodus from the industry, shipbuilding nevertheless still offered employment to almost ¼ of all those finding jobs. Although it was not the prime provider of new employment, except for those in staff jobs and also for the semi-skilled/indirect workers, it was the next likeliest niche for the redundant men.[9] Of the 60 men who went straight back into shipbuilding jobs, 25 or 9.5% of those finding jobs returned to U.C.S., 6 of them to the same division from which they were made redundant and 19 to a different division. The majority of the remainder found new shipbuilding jobs on the Clyde. Sixteen of the 35 found work in Glasgow, Clydebank or Dumbarton and 13 moved down-river to Greenock or Port Glasgow. One other man found a job in the industry elsewhere in the West of Scotland and 5 left Scotland, 4 going to England or Wales and 1 abroad. Again, despite the evident problems of shipbuilding, it continued to exert a considerable pull on men who had only recently experienced the insecurity characteristic of the industry.

Just over half (141) of the 264 finding jobs after redundancy subsequently left and moved into other jobs.[10] Table 6.2 shows the transfers which took place between the different industry groups as they moved from their first to present or last jobs.

Table 6.2 Industrial Mobility of the Multiple Job Holders between First and Present or Last Jobs (%)

	First Job							
P/L Job	Shipbldg.	Other Eng.	Other Manuf.	Constr.	Services	N.K.	Numbers	%
Shipbuilding	33	24	6	30	6	-	33	2
Other Engineering	24	30	9	27	9	-	33	2
Other Manufacturing	-	22	11	55	11	-	9	6
Construction	2	12	7	64	15	-	41	2
Services	21	29	17	13	21	-	24	1
N.K.	-	-	-	-	-	1	1	-
Numbers	25	32	13	53	17	1	141	10
%	18	23	9	38	12	-	100	

Note: %s are rounded and may not add up to 100.

9. Although 'Other engineering' provided a similar number of jobs as shipbuilding, the latter is a single MOH, while the former, is made up of a number of different MOH's.
10. In total, however, 164 workers quit their first job after U.C.S., voluntarily or otherwise, but 23 of them were unable to find another job. Consequently we are left with 141 multiple job holders.

The percentages in the margins of the table show, along the bottom, the industrial distribution in the first job and, down the side, that in the present or last job. Comparing the two, sector by sector, we see signs of a slight recovery in shipbuilding employment, little change in other engineering, a decline in other manufacturing, an even greater decline in construction and almost a 50% increase in the service sector. Information not shown in the table but which is of interest concerns the drift back into employment with U.C.S. at the later stages of redeployment Nineteen workers left their first jobs and returned to U.C.S. 13 to the same division they were made redundant from and 6 to a different division. Overall, therefore, 44 (17%) of the 264 successful job seekers found either their first or their present or last job back in the consortium.[11]

Another interesting point emerges when we look diagonally down and across the table. Most of the workers (64%) finding their present or last job in construction had previously found their first jobs there, the only industrial sector where that was the case. Workers finding first jobs in other sectors were more likely to move out of them to take up their subsequent jobs.

Looking across the rows, we might also note that workers were more likely to switch back into shipbuilding from construction (30%) than from shipbuilding to construction (2%). This corresponds to patterns of mobility observed previously for shipbuilding on the Clyde and is also consistent with the data presented in table 6.1.[12] For example, there was a greater likelihood of an ebb back into shipbuilding since 46% of the 'building' trades but only 4% of the 'metal' trades had moved into construction after leaving U.C.S. The reason given by the job changers for leaving their first jobs shed more light on the 'dynamics' of the inter-industrial mobility which took place.

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11. At time of interview, however, only 40 respondents gave their present or last employer as U.C.S. So, four men finding their first post redundancy jobs back at U.C.S. subsequently moved elsewhere.

12. See, for example, Hunter, LC, 'Problems of Labour Supply in Shipbuilding', Second Marlow (Scotland) Lecture. The Institution of Engineers and Shipbuilders in Scotland, Elmbank Crescent, Glasgow, 1967.

Table 6.3 Why the Job Changers Left their First Jobs after U.C.S. by Industry of First Job (%)

Industry of First Job	Reason for Leaving: Made Redundant	Voluntary	Other*	D.K.	Numbers
Shipbuilding	56	44	-	-	25
Other Engineering	50	44	6	-	32
Other Manufacturing	62	31	7	-	13
Construction	36	51	13	-	53
Services	18	77	6	-	17
N.K.	-	-	-	1	1
	43	49	8	1	141

*Note: 'Other' includes dismissal, sickness, etc.

The first, and most obvious, point to note in table 6.3 is that almost as many men left their first jobs through redundancy as quit voluntarily, demonstrating yet again the vulnerability of the short service worker in time of recession. This could not have bolstered their confidence about finding further employment.[13]

It would also be consistent with the increase in service sector employment as men drifted into whatever jobs were going (table 6.2) and also with the high voluntary quit rate from first jobs in services (table 6.3). While recognising that the service sector was not, in absolute terms, a very significant source of employment there is at least some suggestion here as in previous studies that it was seen as a temporary haven to be departed from for more attractive opportunities later.[14]

Construction was the only other case where the voluntary quit rate exceeded the rate of secondary redundancy. Voluntary turnover occurs in some degree in all labour market conditions and construction is characterised by particularly high turnover rates as jobs near completion and more attractive employment is sought on other sites. This xx no doubt helps explain why, although employment in construction declined overall, 64% of the workers employed there in their present or last job had moved within the industry and also explains why shipbuilding attracted back a considerable proportion of men from construction. Finally, table 6.4 summarises, in the aggregate, the industrial distribution of jobs at the first and last stages of redeployment.

13. In section 5 we shall see that men made redundant yet again had to take up jobs paying considerably less than their first jobs.
14. See for example, Mackay, DI (1972) op cit, and Kahn, HR, op cit, p.119

Table 6.4 Industrial Distribution of First and Present or Last Jobs after U.C.S. (%)

	First	Present or Last
Shipbuilding	23	26
Other Engineering	23	24
Other Manufacturing	8	7
Construction	29	24
Services	17	19
Nos. N.K.	1	1
Numbers	264	264

Overall, there was little difference between first and last jobs in the proportions finding jobs in other engineering, other manufacturing and services. As we saw in table 6.2, however, there was a considerable amount of mobility between these sectors which is not revealed in the aggregate. Shipbuilding shows some recovery, construction a decline and both these tendencies were more marked when we considered the mobility of thejob changers alone.

3. Geographical Mobility

Given the deteriorating economy in which the U.C.S. run-down took place, one might have expected workers to move to other areas to find jobs especially if they had some previous experience of working outside the West of Scotland. Table 6.5 shows the location of the first jobs taken up by (1) those who had previously lived outside of the West of Scotland for work reasons and (2) those who had not.

Table 6.5 Percentage Distribution of First Jobs by Location

Previously Lived Outside W. of Scotland For Work Reasons	Glasgow-Paisley	Clydebank-Dumbarton	Greenock-Pt.Glasgow	Rest of W. of Scotland	Rest of Scotland	England-Wales	Ireland-Abroad	Nos.
1. Yes	46	15	9	10	2	14	4	94
2. No	67	15	5	8	3	1	-	169
Nos. N.K.	1	-	-	-	-	-	-	1
	60	15	6	9	3	6	1	264

Most of the workers (90%) moved into other jobs in the West of Scotland, 75% of them in the area covered by Glasgow, Paisley, Clydebank and Dumbarton. Some 6% transferred to the lower reaches of the Clyde and took jobs in Greenock or Port Glasgow Only 10% had taken up jobs out of the West of Scotland including 19 who had migrated from Scotland altogether, 15 of them 'south of the Border'. Most of the migrants, 15 men, were skilled reflecting the nature of the cut-back and, possibly, the greater confidence a craftsman would have in 'selling himself' elsewhere. The emigrants were also predominantly those who had previous experience of working away from home. Of the 94 workers who had such experience, 17 (18%) left Scotlahd again to take up their first post-redundancy job. In comparison, of the 169 workers who had never previously worked away from home, less than two per cent proceeded to do so after redundancy. At first sight, we might conclude that relatively little geographical dispersion actually took place at the first stage of redeployment although chapter 4 suggested that many workers were prepared to leave home. A difference between propensity to move, 'latent mobility' and actual mobility is, of course, no new phenomenon.[15] When putting forward an explanation for its emergence in the case of the U.C.S. workers, one cannot and should not under-rate the social considerations they felt important. Parnes, for examples, recognises that,

> '..... both the goals of a worker and his evaluation of his present situation are subject to influences external to himself, such as the value system of the culture and the wishes of his family.'16

But in any case, the recession in Scotland was accompanied in the usual fashion by a similar down-turn elsewhere and, as Reynolds points out,

> 'There is a tendency to use the terms 'movement' and 'mobility' interchangeably. It seems better, however, to use mobility to describe willingness or <u>propensity to move</u>. Opportunity must be added to willingness before any actual <u>movement</u> will occur.' (author's emphases) 17

Between 1964 and 1969 the male unemployment rate for Great Britain almost doubled from 1.7% to 3.3%. Over the same period net migration from Scotland to the rest of the U.K. changed conversely from 22,000 to 8,000.[18] In such unpromising circumstances, it is hardly surprising that the emigrants were those who had followed that path before.

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15. For a wider discussion of the different concepts and their economic and other implications, see Parnes, HS, <u>op.cit.</u>, pp.15-22
16. <u>op.cit.</u> p.19
17. Reynolds, LG, 'The Structure of Labor Markets', Harper and Bros., New York,1951 p24
18. The Scottish Economic Bulletin, No.1, HMSO 1971 and the Employment and

Subsequent job moves had no significant impact on the geographical distribution of the workers. If anything, there was something of a net drift back into Scotland and into Clydeside. Despite the substantial contraction in the local economy over the period under 10 per cent of the workers ended up in jobs outwith the West of Scotland. In comparative terms this was nevertheless fairly substantial and we return to the topic when considering other aspects of manpower policy in chapter 9.

4. Job Quality

Qualitative differences between jobs must obviously be taken into account when evaluating the impact of redundancy. Quantifiable factors like wages and hours lend themselves to reasonably objective assessment. Estimating a job's skill level is less certain. It includes an appraisal of the occupational level of a given job and, as we have noted previously, an objective estimation of a man's occupational status based on a job title may differ from the job holder's own opinion. In addition, there might be reasonable differences of opinion on the skill content of jobs at the same level of an occupational hierarchy. Some skilled engineers, tool makers, for example, perform more demanding tasks than similar craftsmen. We try to allow for such complications in the course of this section.

(i) Occupational Status

Table 6.6, first of all, shows in the aggregate how the occupational distribution at U.C.S. compared with those at the first and last stages of redeployment.

Table 6.6 Skill at U.C.S. First Job After and Last Job After (%)

Skill	U.C.S.	First Job After	Last Job After
Unskilled	8	13	13
Semi-skilled	11	14	15
Skilled	76	69	68
Staff	5	3	3
Self Employed	-	1	1
Nos. N.K.	-	2	3
Numbers	264	264	264

Since there was a fall in the proportions in the higher occupational groups, the skilled and staff workers, with an accompanying rise in the lower skill groups we can conclude that one of the costs of the redundancies was an overall drop in the occupational status of the workers. This occurred largely at the first stage of redeployment and only altered in a marginal way subsequently. The occupational changes experienced by a cohort of workers are unlikely to be in the one direction. This can be further explored through establishing 'stability ratios', that is the proportion of men who managed to preserve their occupational status as it was at U.C.S., and by comparing the numbers moving up and down the skill hierarchy. Table 6.7 shows the stability ratios which resulted in the first and present or last jobs.

Table 6.7 Occupational Stability Ratios in First and Present or Last Jobs

	Occupational Level				
	Unskilled	Semi-skilled	Skilled	Staff	Nos.
First Job	67	67	85	33	264
Present or Last	55	63	83	33	264

As expected, there was movement up as well as down the skill hierarchy. For example, in their present or last job, only just over half of the unskilled workers were doing jobs which they considered to be unskilled. The others could only have, in their opinion, improved their position. A major point of interest concerns the craftsmen. What is, in a sense, surprising is the extent to which they managed to preserve their status in the prevailing employment conditions. In moving to their first new jobs 85% took up jobs of equivalent status. This dropped slightly to 83% as a result of the moves of the job changers but still compares more than favourably with other recent studies in Great Britain. For example, in the national survey, Parker reported that 74% of the skilled workers moved into first jobs of dqual skill while Mackay, analysing redundancies in the West Midlands over 1966-68, found that only just over half of the skilled men involved had managed to find first or subsequent jobs of similar status.[19]

19. See Parker et al., op.cit. p.100 and Mackay, DI (1972) op.cit. table 4

Clearly, the same did not hold true for the other occupational groups. For a number of reasons, however, their occupational mobility provides a less reliable indicator of the redundancy's effects than does that of the craftsmen. First, the very strong tradition of craft apprenticeship on Clydeside provides an objective criterion against which a worker and others would measure his claim to be skilled.[20] Furthermore, it was craftsmen who were predominantly affected by the run-down. In comparison, the other occupational groups do not act as such a convenient yard-stick because, for example, even U.C.S. found it difficult to draw a precise line between their skilled and unskilled workers while staff workers, like foremen, who would have completed an apprenticeship may have been inclined to identify themselves in terms of their craft rather than as members of a less well defined 'staff' group.

A convenient summary of the situation is arrived at by considering the numbers who had moved up as opposed to down the occupational hierarchy at the final stage of redeployment. Overall, 62 of the 264 workers finding jobs had changed occupational status in their present or last jobs. Of these 19 (31%) had managed to improve their position while 43 (69%) has moved downward. Although only 34 (or 17%) of the craftsmen were obliged to move to other rungs in the ladder, most of these, 28, stepped downward and only 6 moved upward to staff or self-employed status. Therefore the redundancies from U.C.S. led to some overall deterioration in the occupational status of the sample but, at the same time, the craftsmen involved were more able to maintain, or more committed to preserving, their occupational status than similar workers affected by other recent redundancies in Great Britain.

(ii) Wages and Hours of Work

The hours a man works and the money he earns in different jobs provide some of the more straightforward means of passing judgment on the quality of the jobs in question. The obvious positive relationship between the hours worked and the money earned makes the combined measure, hourly rate of pay, a more comprehensive measure of that aspect of job quality we are concerned with here. As a starting point, let us look at the average take-home pay, the average normal working week and the average hourly rate for each of our skill groups in their jobs at U.C.S.

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20. In chapter 4 we saw that only 6 of the 235 workers in the original sample claiming to be skilled had not completed a craft apprenticeship.

Table 6.8 Average Take home Pay, Average Hours of Work and Average Hourly Rate at U.C.S. by Skill

Skill	Average Pay $(\bar{X})$ (£s)	Average Hours $(\bar{X})$(hrs)	Average Hourly Rate $(\bar{X})$ N.P.
Unskilled	20.60	48.62	42.39
Semi-skilled	22.60	47.27	47.82
Skilled	25.29	46.48	54.76
Staff	25.58	42.16	61.02
All	24.62	46.54	53.25
Numbers	264	264	264

Table 6.8 shows that the earnings structure at U.C.S. held no surprises. Average take-home pay and average hourly rate increase directly with occupational level while the hours worked to earn that income vary inversely with skill. In other words, the less skilled workers had to put in longer hours to bring their earnings up towards those of the higher skill groups.[21]

How then did their situation change in the course of their redeployment from U.C.S.? We assess this in a simple way, namely by establishing for each respondent the percentage difference he experienced in take-home pay, hours worked and hourly rate between each of his post redundancy jobs and his job at U.C.S. The distribution of these individual differences indicates whether the position of the workers, when in employment, improved or deteriorated as a result of redundancy. In addition, we show the average wages, hours of work and hourly rates of pay in the workers' first and present or last jobs after redundancy.

Table 6.9 Take Home Pay in First and Present or Last Job As Percentage of Take Home Pay at U.C.S. (%)

	<75	75<85	85<95	95<105	105<115	115<125	125+	%	Average $(\bar{X})$ Take-Home Pay (£s)	Nos. N.K.	Numbers
First Job	19	13	15	21	10	6	16	100	24.41	16	264
P/L Job	15	12	12	21	16	6	17	100	24.73	15	264

21. Our questionnaire asked for take-home pay while published data usually relate to gross earnings. While recognising its importance, therefore, we leave a direct comparison of earnings at U.C.S. with manual workers' earnings elsewhere in Scotland until later in our analysis.

If we assume that the financial position of those receiving between 95% and 105% of their earnings at U.C.S. remained more or less the same, the proportions lying on either side allow us to evaluate the overall effect of redundancy on the men's financial circumstances. When we do so, we can see that some overall deterioration resulted. It is interesting to note, however, that almost as many achieved a substantial improvement in their income as suffered a substantial drop. For example, 16% were earning at least 25% more than their usual take-home pay at U.C.S. while 19% were earning at least 25% less. Consequently, as a comparison with Table 6.8 indicates, the effect on average take home pay was, on the face of it, not large. Overall, however, almost half were doing worse than at U.C.S. against one-third doing better.

When we look at the later stage of redeployment, we see a different picture. The overall position of the men has improved. By this time, those doing worse than at U.C.S. (39%) are evenly balanced by those doing better (39%). This aggregate improvement was, of course, due to the success of the job changers in finding better paying jobs than those first taken up by them. We shall also see subsequently that this improvement was attributable not to all the job changers but, more particularly, to the voluntary job changers. All the skill groups but the staff workers showed an aggregate improvement between their first and present or last jobs causing average take-home pay to rise slightly above what it was at U.C.S. The proportions earning more than at U.C.S. rose from 35% to 50% in the case of the unskilled workers, from 32% to 36% in the case of the semi-skilled and from 31% to 41% in the case of the tradesmen. The position of the staff workers remained unchanged.

To bring the changes in the men's income into proper perspective, however, other factors must be taken into account. First, when we allow for the change in the general wage level, we find that the sample as a whole just barely maintained its average take-home pay while average weekly earnings in Scotland rose by 22% from £24.84 in 1969 to £30.30 in 1971.[22] This is an important consideration which, for

22. The Scottish Economic Bulletin No.4, 1973, p.13

the moment, requires us to attach a similar qualification to all our earnings and wage rates comparisons. We conclude this section with a more comprehensive comparison between our respondents' take-home pay before and after redundancy with that of other workers in Scotland. Meantime, we must also note that earnings are dependent on hours worked as well as rates paid and so the accompanying differences in the working week must be taken into account as well.

Table 6.10 Usual Hours of Work in First and Present or Last Jobs As Percentage of Usual Hours of Work at U.C.S. (%)

	<75	75<85	85<95	95<105	105<115	115<125	125+%		Average ($\bar{X}$) Hours of Work	Nos.N.K.	Numbers
First Job	6	12	10	39	13	4	16	100	47.88	8	264
P/L Job	7	11	9	42	12	5	14	100	47.15	9	264

From table 6.10 we can see that not only did the sample earn less in the first job after U.C.S. but, in addition, more had to work longer hours than shorter hours and half of these (16%) were putting in considerably more hours (at least 25%) than U.C.S. At the same time, 28% of them were working shorter hours. The overall effect was a rise in average hours of work from 46.54 at U.C.S. to 47.88 in the first job after U.C.S.

When we look at the situation in the present or last job, we see that, as in the case of their earnings, the overall position has improved. For example, 31% are now working longer hours as against 33% previously and the proportion working similar hours to U.C.S. has risen from 39% to 42%. Nevertheless, in the aggregate more men are still working longer hours (31%) than shorter hours (27%) compared with their position at U.C.S. which was again reflected in the resulting average.

Between the first and later stage of redeployment, the wages and hours worked by the job holders, as a whole, changed in opposite directions suggesting that those who moved transferred into jobs offering better rates of pay.[23] Combining our data on wages and hours allows us to explore this in greater detail. Table 6.11 shows the proportionate changes which took place in the respondents' hourly rates of pay as they redeployed from U.C.S.

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23. Recognising again, however, that at least some of the change in rates would have been a simple trend effect.

Table 6.11 Hourly Rate of Pay in First and Present or Last Jobs as Percentage of Hourly Rate of Pay at U.C.S.(%)

	<75	75<85	85<95	95<105	105<115	115<125	125+	%	Average($\bar{X}$) Hourly Rate(N.P.)	Nos.N.K.	Numbers
First Job	17	16	15	26	10	7	9	100	51.26	18	264
P/L Job	13	13	15	26	13	6	14	100	52.99	17	264

The impressions gained by considering wages and hours separately are confirmed by the combined measure in the above table. Even allowing for the better jobs subsequently acquired by those who left their first jobs the men are, in the aggregate, still worse off in their present or last jobs than they were at U.C.S. While one-third of the men were then earning a higher hourly rate than at U.C.S., 41% were earning less per hour. This, nonetheless, represented some improvement in comparison with the first stage of redeployment where only 26% were doing better than at U.C.S. compared with almost twice as many (48%) doing worse.[24] This improvement occurred, in differing degrees, for all the occupational groups involved. Table 6.12 shows the broad changes which took place in hourly rate, skill by skill, between the first and the present or last job.

Table 6.12 Comparison of Hourly Rate in First and Present or Last Jobs with that at U.C.S. by Skill (%)

	First						Present or Last				
Skill	Numbers	Worse	Same	Better	Average($\bar{X}$) Hourly Rate(N.P.)	Nos. N.K.	Worse	Same	Better	Average($\bar{X}$) Rate(N.P.)	Nos. N.K.
Unskilled	21	55	20	25	42.51	1	35	30	35	43.29	1
Semi-skilled	30	47	23	30	44.27	-	30	40	30	46.77	-
Skilled	201	48	26	26	52.30	16	44	22	34	53.82	15
Staff	12	45	36	18	68.73	1	36	45	18	73.47	1
	264	48	26	26	51.26	18	41	26	33	52.99	17

Looking across the rows, when we compare the present or last with the first job, we see that some improvement took place for all occupational groups. For the semi-skilled and the staff workers, however, this meant only a decrease in the numbers doing worse than at U.C.S. In the case of the unskilled workers and the tradesmen,

24. As before, a comparison of the averages in tables 6.11 and 6.8 gives a simple indication of the changes in the respondents' overall position.

there was both a reduction in the numbers doing worse and an increase in the numbers doing better than before redundancy. The resulting averages show the same improvement for all skill groups between the first and present or last jobs. Besides our previous qualification regarding trend effects two additional points worth noting are, (a) the substantial improvements in average hourly rate achieved by the staff workers in their first as well as present or last jobs and (b) the similar if smaller improvements of the unskilled workers. Although this is seemingly at variance with the proportions reported as doing better or worse than at U.C.S, measures of central tendency must be read with caution. In this case, the median was more representative of the changes in hourly rate experiencedparticularly by the unskilled and staff. The arithmetic mean, however, has for consistency been used throughout since, with this exception, it has served well as a summary statistic for the range of changes encountered by our respondents.

Our analysis of changes in earnings has so far been based on take-home pay at time of redundancy. A preferable comparison would be between take-home pay in subsequent jobs and what it would have been had the men remained at U.C.S. If the men had been made redundant en bloc and had taken up subsequent jobs at roughly the same time, we could have taken trend effects into account relatively easily. In actual fact, the phasing of the run-down makes it more difficult for the sample as a whole since men were being laid off and taking new jobs up over an extended period of time.

We can, however, approach the problem in another way by, for example, comparing the take-home pay of the men at U.C.S. and in subsequent jobs with what it would have been had their gross earnings been the same as the Scottish average.[25] At time of interview, 206 of our respondents were then in employment. Forty-nine of them had been made redundant in 1969 when their average take-home pay at U.C.S. had been £23.13. If instead they had then been earning according to the Scottish average (£24.84) their take-home pay would have been £19.84 (calculated). In other words, their actual take-home pay was 116.6% of the average net take-home pay for a similar group of Scottish workers.

25. The appendix to this chapter sets this out in greater detail.

Similarly, average take-home pay at U.C.S. for the 157 men made redundant during 1970 was £25.02 compared with a calculated figure of £22.37 if their earnings had been the same as the Scottish average (£28.02) in 1970. Although the gap had narrowed take-home pay at U.C.S. still clearly lay above (111.8%) the Scottish average.

Although unable to make any judgment on 'efficiency wages' at U.C.S., that is money earned in relation to output, we can put forward several reasons for the take-home pay reported by our respondents being greater than that elsewhere. One objective of U.C.S. was to rationalise its wage structure to encourage flexibility and reduce stoppages. This involved some 'levelling up' of wage rates which, at the time, was not appreciated by other Clydeside shipbuilders. Since many of the men made redundant in 1969 were also probably engaged on the push to finish the inherited QE2 contract, it is also likely that their usual take-home pay at U.C.S. prior to redundancy reflected the bonuses then to be earned.

Whatever the reasons for their pay at U.C.S. being higher than elsewhere, it is certain that in their new jobs they were much worse off than had they remained at U.C.S. assuming that earnings at U.C.S. would have risen in similar fashion to those elsewhere. When interviewed, the average take-home pay of men made redundant in 1969 and 1970 taken together was £24.02 or 99.13% of what it should have been had their gross earnings been at the Scottish average (£30.30) in 1971. Taking such trend effects into account in this way puts a different complexion on our earnings comparisons before and after redundancy and suggests that its impact on material wellbeing was more substantial than the unadjusted data indicates.

(iii) The Workers' Opinions

Our opinion questions allowed us to establish how the men themselves felt their position to have changed. We invited our respondents to make a comparison between their present or last job and their job at U.C.S. in terms of skill, job preference and also asked if, looking back on everything, they would have preferred to stay at U.C.S. or been made redundant with the compensation they received.

Table 6.13 Subjective Skill Comparison Between Present or Last Job and Job at U.C.S. by Skill

		Skill in Comparison with U.C.S. (%)			
	Numbers	More	Same	Less	Nos.N.K.
Unskilled	21	52	38	10	-
Semi-skilled	30	17	50	33	-
Skilled	201	26	47	27	3
Staff	12	25	50	25	-
	264	27	47	26	3

At the beginning of this chapter, we noted that the 'skill' of a given job may have a number of connotations. Table 6.13 should be interpreted with this in mind. Although, for example, 83% of the craftsmen's present or last jobs were skilled, only 73% felt these jobs required at least equivalent skill to the jobs they held at U.C.S.

We might recall that chapter 4 revealed considerable apprehension about comparability of shipyard skills and those learned elsewhere yet, after redundancy, a quarter of the tradesmen felt they were doing less skilled work than at U.C.S. Further analysis showed that only one (2%) of the fortysix tradesmen whose present or last job was in shipbuilding felt its skill content was lower than his job at U.C.S. in comparison with 29 per cent of the one hundred and fiftytwo tradesmen in other industries. Only in the case of the unskilled workers did a majority feel that their present or last job was more skilled than at U.C.S. Taking the sample as a whole, however, the skill loss which some workers felt to have suffered was balanced by the gain which others thought they had experienced.

Table 6.14 Job Preference by Skill

		Job Preference (%)				
Skill	Numbers	P/L	U.C.S.	No Difference	Same Job	Nos.N.K.
Unskilled	21	43	48	5	5	-
Semi-skilled	30	43	40	7	10	-
Skilled	201	37	54	5	4	2
Staff	12	50	42	8	-	-
	264	39	52	5	4	2

Apart from the tradesmen, the redundant men failed to express any strong preference one way or the other between U.C.S. and their most recent jobs when interviewed and so the reasons given by the tradesmen for their choice are shown below.

Table 6.15 : Reasons Given by the Tradesmen for Job Preference (%)

	Numbers	More Skill-Variety	Familiar Job	Physical Conditions	Better Hours	Better Money	More Prospects	Better* Firm	Nos. N.K.
P/L Job	74	49	2	13	7	11	5	13	3
U.C.S.	102	20	22	5	5	32	4	13	6

Note: 'Better Firm' is a compound description covering 'personal relationships', 'atmosphere', 'friendly place', 'good firm to work for', etc.

The tradesmen saw little or no difference between U.C.S. and the most recent job held as far as the hours of work, the prospects of advancement and the nature of the firm were concerned. Some interesting if unsurprising differences emerge in the other reasons put forward by the workers. Knowing, as we do, that more workers suffered than gained financially as a result of leaving U.C.S., it is understandable that three times as many preferred U.C.S. as preferred their present or last jobs on financial grounds. The job preference based on skill comparison does not mean, as we saw above, that more of the present or last jobs necessarily involved more skill than at U.C.S. In the consciousness of those preferring their present or last jobs, however, skill content loomed larger than in the case of men preferring U.C.S. Taking 'familiarity with the job' and 'physical conditions' into account, the different preferences are, again, not unexpected ones. The U.C.S. workers' long service in the industry and their lack of wide alternative experience help to explain the greater preference for shipyard work in terms of job knowledge. Similarly, we cannot be surprised that the austere working conditions in the average shipyard compared badly with jobs elsewhere.

Altogether, then, there appeared to be some overall deterioration relative to U.C.S. The proportion earning higher and lower take-home pay than at U.C.S. in their present or last jobs was similar but more men ended up working longer hours in them. This caused a decline in the overall hourly rate of pay which was bad enough in itself but still worse in the context of the substantial rise in the general wage level.

There was also, in an objective sense, a net deterioration in occupational status. When, however, invited to compare the skill content of their present or last jobs with their jobs at U.C.S. those feeling they had suffered a drop in skill were equally balanced by those who felt their most recent jobs were more skilful. Overall, however, a majority of workers expressed a preference for their job at U.C.S. and gave reasons which were consistent with their past experience and also with their experience since being made redundant. This was underlined by the workers' retrospective assessment of their post-redundancy experience. For the sample as a whole almost $\frac{2}{3}$ (64%) would have preferred to remain at U.C.S. rather than have been made redundant with compensation. The unskilled workers were a minor exception in that just under half of them (48%) would have preferred to stay at U.C.S.

5. The Job Changers

In section 4, we observed with qualifications that the overall position of the workers had improved at the latter stage of redeployment in comparison with the first. Here, we elaborate on this by comparing the employment experience of the voluntary with the non-voluntary job changers and, more particularly, with the single job holders. MacKay (1972) op.cit. suggested that the differences between the experience of voluntary job changers and single job holders seemed to indicate differences in job search strategy. Although employment conditions in Glasgow, during the period of the run-down, were three times worse than those in the West Midlands during 1966-68, our results were remarkably similar to those of Mackay.[26] Table 6.16 compares, first of all, the transitional unemployment of the 69 voluntary job changers who took up other jobs with that of the 123 single job holders.[27]

Table 6.16 Transitional Unemployment of Single Job Holders and Voluntary Job Changers (%)

		Transitional Unemployment				
	Numbers	Under 1 week	1-4 weeks	5-16 weeks	17-26 weeks	Over 26 weeks
Single Job Holders	123	11	20	39	17	12
Voluntary Job Changers	69	19	42	33	4	1

26. Over 1966-68, unemployment averaged 1.6% in the West Midlands compared with 4.8% in the Glasgow area between July 1969 and December 1970.

27. 75 men altogether left their first jobs voluntarily but 6 had not taken up other jobs by time of interview.

Quite clearly, the single job holders took considerably longer to get back into work after leaving U.C.S. In fact, the average length of unemployment after U.C.S. for the voluntary job changers (5.4 weeks) was less than half that for the single job holders (12 weeks). This corresponds with the results of MacKay who then went on to explore the hypothesis that the single job holders could be considered as 'stickers', who took their time in finding satisfactory jobs, while the voluntary job changers could be portrayed as 'snatchers' who jumped quickly into any job to use as a base for further job search.

There are other aspects of the U.C.S. workers' post redundancy employment experience which suggest similar differences in job search strategy. We must first note, however, that in the case of U.C.S. the 'stickers' were older and less skilled than the 'snatchers'. For example, 24% of the 'stickers' were either unskilled or semi-skilled compared with only 13% of the 'snatchers'. There were much greater differences in the ages of the two groups. Less than 2 per cent of the 'snatchers' were over 50 as against 25 per cent of the 'stickers'. Conversely, over $\frac{3}{4}$ of the 'snatchers' were under 40 compared with just over half of the 'stickers' making the former a considerably younger group.[28]

Bearing in mind these differences, we can compare the employment experience of the two groups in the light of MacKay's findings. Table 6.17 compares the take-home pay of the 'stickers' and 'snatchers' at U.C.S. and as they redeployed after redundancy.

Table 6.17 Percentage Wage Distributions* of 'Stickers' and 'Snatchers'

	'Stickers'		'Snatchers'		
Weekly Take-Home Pay (£s)	U.C.S.	1st Job	U.C.S.	1st Job	P/L Job
Under 14	-	7	-	2	-
14 - 17	10	15	8	15	6
18 - 21	24	19	5	28	18
22 - 25	30	27	45	29	23
26 - 29	21	17	21	12	23
30 - 33	10	7	17	6	17
34+	5	9	4	8	14
$\bar{X}$	24.06	23.95	25.12	22.85	27.16

*Note: A similar pattern emerged when take-home pay was adjusted for hours worked.

28. The difference in age is statistically significant at the 99 % level but the difference in skill is not statistically significant.

As previously, the overall experience of the respective groups is given by the summary statistics at the bottom of the columns in table 6.17. In the case of the single job holders, there was some deterioration in their post-redundancy jobs compared with U.C.S. For example, 41% were taking home less than £22 per week compared with 34% at U.C.S. and 33% were taking home £26 or more as against 36%. Although there was little difference in average take-home pay we must note again that this was against the backdrop of a rising general wage level.

We see a somewhat different picture in the case of the 'snatchers'. In their first job after redundancy their weekly earnings took a more decided drop which was, however, more than compensated for in the course of their later moves. Taken along with their shorter unemployment after redundancy, this group, like MacKay's equivalents appeared to have adopted a different job search strategy from the single job holders. It was possible, of course, that the apparent improvement in take-home pay could have been due to longer hours of work and/or to a general rise in the wage level if there had been a long lag between them quitting their first jobs and taking up their present or last jobs. Further investigation suggested this was not the case. Fiftyone (74%) of our voluntary job changers had held only two jobs since redundancy and we were thus able to calculate the time spent between jobs as well as in their first jobs. They had held their first jobs, on average, for just under four and a half months, and 64 per cent of them had taken up their second jobs within two weeks of leaving their first. Although their average ($\bar{x}$) hours of work in their present or last jobs (48.2) was somewhat higher in their present or last than in their first (46.4) so also was their average hourly rate of pay, 56.7 N.P. against 47.9 N.P. An opinion question asking how the workers viewed their first post-redundancy job allowed us to pursue this further.

The respondents were invited to read a card asking 'which <u>one</u> of the following situations best describes your views when you took your first job after leaving U.C.S.? Table 6.18 shows the pattern of responses given by the 'stickers' and 'snatchers'.

Table 6.18 Views of First Post-Redundancy Jobs: 'Stickers' and 'Snatchers' (%)

(1)	(2) 'Stickers'	(3) 'Snatchers'
1. Couldn't get another job	14	10
2. It was a job offering quite good conditions	23	12
3. Chance	1	9
4. It was the best of a number of good jobs	1	9
5. It was the best of a bad lot of jobs	4	1
6. It sounded a good job you were quite happy with	26	20
7. It was a stop-gap job which would do for a while	9	35
8. It was a long term job with reasonable prospects	23	4

If we consider the reasons given alternately from (1) down to be 'negative' and those from (2) down to be 'positive' we find that 72.4% of our 'stickers' gave positive reasons and 27.6% negative reasons. In comparison, 45% of the 'snatchers' gave positive reasons while 55% gave nagative reasons. In other words, approximately twice as many of the 'snatchers' went into their first jobs with an unfavourable attitude of mind.

The relative dispositions of the two groups are similar to those of MacKay's workers with one proviso. In the case of the latter, both 'stickers' and 'snatchers' tended to be more negatively inclined towards their first jobs than did the U.C.S. workers. This is not surprising given the differences in the prevailing employment conditions. In high unemployment, a worker's estimation of a 'good' job is likely to fall short of what it would be in a situation offering a wider range of opportunities Or looking at it another way, given a higher demand for labour, job takers will be more inclined to consider their jobs, potentially at any rate, as a stepping stone to something better.

In the light of this, it is interesting to compare the 'stickers' and 'snatchers' amongst the U.C.S. workers purely in terms of their intended tenure of their first jobs after redundancy. Here, we find that four times as many of the 'snatchers' (35%) considered their first job a 'stop gap' compared with the 'stickers' (9%) and six times as many of the 'stickers' (23%) looked on it as a 'long term job' in comparison

with the 'snatchers' (4%). Consequently, even allowing for imperfect knowledge of the market and the prevailing state of the economy, dividing the U.C.S. workers into 'stickers' and 'snatchers' provides a meaningful distinction which was reflected in their differing employment experience after redundancy.

At the same time, we must again recognise, however, that the 'snatchers' were on the whole more skilled and particularly more youthful than the 'stickers' and so the differences attributed to job search strategy may have been due more to force of circumstances than to design. In this respect, it is interesting to compare the 'snatchers' separately with the 72 men who changed jobs held after U.C.S. involuntarily, 83 per cent through further redundancy.

The involuntary job changers were more akin to the 'snatchers' than to the 'stickers' in their age and skill.[29] Average net earnings in their first job (£26.85 per week), however, represented an improvement on their earnings at U.C.S. (£25.09 per week). This was partly due to the fact that they also tended to be working slightly longer hours but, even allowing for this, their average hourly rate (52.78 N.P.) was still superior to that of the 'snatchers' (48.62 N.P.).

Their experience subsequent to leaving their first job, however, was unfavourable in comparison with the 'snatchers'. The average weekly take-home pay of the latter rose from £22.85 in their first job to £27.16 in their last job after U.C.S. and the average pay of the former moved conversely from £26.85 to £23.69. So, while the 'snatchers' first moved into jobs paying considerably less than at U.C.S. and ended up in jobs which paid more, the involuntary job changers first moved into jobs which gave them slightly higher average earnings than at U.C.S. but finished up with weekly earnings lower than at U.C.S. and also lower than those of their counterparts who quit voluntarily. This additional comparison, therefore, underlines the advantages of voluntary job change and lends support to the job search strategy hypothesis.

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29. There were no significant differences in either their age or skill.

6. Conclusions

This chapter evaluated in different ways the effects of redundancy on the working lives of the 264 workers who had found new jobs since leaving U.C.S. First, the pattern of industrial mobility was not an unexpected one given the skills of the workers and their previous industrial experience. Construction, shipbuilding and other engineering were the major host industries, providing $\frac{3}{4}$ of the first new jobs. 'Building' skills predictably gravitated towards construction and the metal working trades towards engineering.

Although the contraction at U.C.S. cast an ominous shadow over shipbuilding on the Upper Clyde, about $\frac{1}{4}$ of the first new jobs found were taken up in shipbuilding and most of these on the Clyde. Indeed, over 40% of these jobs were back somewhere in the U.C.S. consortium and only 8% lay outwith Scotland.

The subsequent moves of the job changers did not greatly alter the initial pattern of dispersion. Shipbuilding, however, took over from construction as the biggest source of employment and with other engineering, these three sectors continued to provide $\frac{3}{4}$ of the jobs.

The redundancies did not result in any sizeable exodus from the men's home area. An overwhelming majority (90%) of the workers found their first jobs after U.C.S. in the West of Scotland and most of these in the Glasgow conurbation. Only 7% migrated from Scotland altogether and these were, in the main, skilled workers who also had previous experience of working away from home. While the importance of social ties cannot be ignored, a simple economic explanation is provided by the lack of job opportunities elsewhere in Great Britain. At the later stage of redeployment, there was little change in the geographical distribution.

Comparing the workers' jobs at U.C.S. with those held subsequently we took a number of objective and subjective factors into account. Overall, there was a deterioration in the occupational status of the workers, about $\frac{2}{3}$ of the changes being in a downward as opposed to $\frac{1}{3}$ in an upward direction. At the same time, 83% of the tradesmen at U.C.S. had preserved their status as skilled men in their present or last jobs, which compares very well with the findings of recent British studies of redundancy. The strong tradition of acquiring a trade on Clydeside no doubt contributes to this craft-consciousness.

In substantive terms, the workers' position deteriorated as a result of redundancy. In their first jobs after redundancy they were overall earning less money and working longer hours than at U.C.S. This improved as a result of those who changed jobs advantageously, reflected in the increases in average pay, hours of work and hourly rate of pay. Even so, more were still earning a lower than a higher hourly rate of pay in comparison with U.C.S. at the latter stage of redeployment and the increase in the average wage level over the period put a very different complexion on our comparison of earnings before and after redundancy.

Taking the workers' own opinions into account, those who felt the skill content of their jobs had dropped were evenly balanced by those who felt it had risen. There was no doubt, however, that most of the men would, in retrospect, have preferred to avoid redundancy. Apart from a few (9%) who saw no difference between their present or last job and that at U.C.S., 52% preferred their jobs at U.C.S. against 39% preferring their present or last job. Moreover, given the choice, almost $\frac{2}{3}$ of the workers would have preferred to remain at U.C.S. rather than experience redundancy, compensated or not.

Finally, comparing the employment experience of the voluntary job changers with that of the other workers, our results suggested that Mackay's division of job seekers into 'stickers' and 'snatchers' was also appropriate in the case of U.C.S. The voluntary job changers, or 'snatchers', experienced shorter frictional employment but at the expense of taking lower paying first jobs than the other workers. In the course of subsequent moves, however, their earnings improved considerably. The advantages of quitting a job voluntarily became still clearer when the 'snatchers' were compared separately with the non-voluntary job changers. All this suggests that differences in job search strategy can be postulated and observed even in the most unfavourable employment conditions.

APPENDIX

In order to put our own earnings information on a comparable basis with published data, we first established how many men were in employment when interviewed in mid 1971 and whose earnings in their last jobs were therefore current for that year. Some had been made redundant in 1969 and some in 1970 and the marital status and dependent children of each group are shown in Table A.1.

Table A.1 Marital Status, Dependent Children and Year Made Redundant of Men in Employment at Interview

Year Made Redundant	Marital Status	Number of Dependent Children: None	1	2	3	4	5	N
1969	Married	10	17	6	4	1	2	40
	Single	9	-	-	-	-	-	9
	Widowed/Divorced	-	-	-	-	-	-	-
								49
1970	Married	34	30	31	24	5	3	127
	Single	29	-	-	-	-	-	29
	Widowed/Divorced	-	1	-	-	-	-	1
								157

Average gross earnings for manual workers in Scotland for 1969, 1970 and 1971 were £24.84, £28.02 and £30.30 respectively.(a) Taking into account marital status and numbers of dependent children, we calculated the average net earnings, or take-home pay, of each group for their year of redundancy on the assumption they were then earning the Scottish average. We did likewise for year of interview, this time taking both groups together. Some assumptions were made about the ages of dependent children who, as in chapter 4, are those in each married household not of working age:-

Dependent Children	Assumed Ages
1	under 11
2	1 under, 1 over 11
3	2 under, 1 over 11
4	2 under, 2 over 11
5	2 under, 3 over 11

(a) Again, see the Scottish Economic Bulletin No.4, Winter 1973

Chapter 7

The Effectiveness of the Employment Service

1. Introduction

'It should be recognised that the Employment Service is the single most important tool to ensure the proper functioning of the labour market and that it has a crucial role to play in the Government's programme of revitalising the British economy'. Such was the opinion of the Examiners for the Manpower and Social Affairs Committee of the O.E.C.D. in their review of manpower policy in the U.K.[1] In a situation like the run-down at U.C.S. which was likely to have wider repercussions throughout the local economy, the role of the Employment Service could be considered even more responsible. This chapter examines various aspects of the part played by the local Employment Service in the course of the run-down.

An obvious pre-requisite before the Employment Service can do anything either for a job seeking worker or a labour seeking employer is that the potential client and the agency should come into contact with one another. It is by now conventional that a number of factors such as the 'image' of the Employment Service, its varied functions, the quality of the workers using it and of the jobs to be found there, tend to reduce this contact rate.[2] In section 2, we make an appraisal of the workers' contact with the Employment Service, when they made contact and the reasons given by workers who made no contact. We go on, in section 3, to evaluate the performance of the Employment Service. We take into account the offers of work made by the service to job seekers and different features of its placement activity. As we shall see, few men were placed and these were

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1. 'Manpower Policy in the United Kingdom', op. cit., p.173.
2. See, for example, Kahn, H.R., op. cit., p.106, Daniel, W.W., op.cit., p.33 and MacKay et al., op.cit., pp.346-352.

almost exclusively craftsmen. Consequently, we go on to make a qualitative comparison, for the skilled workers alone, of the jobs found independently with those found through the Employment Service. Section 4 presents the conclusions.

2. Contact with the Employment Service

While recognising that various factors tend to dissuade some workers from contacting the Employment Service as a job finding agency, there are grounds for believing that redundant workers, particularly in a situation like U.C.S., will be more likely to make contact.[3] For example, because most workers become redundant involuntarily they are likely to gravitate towards the 'formal' network as a supplement to the informal methods which are regularly, if casually, explored in the interest of finding a better job when a man is in employment. In addition, redundancy more often than not results in a period of frictional unemployment and, when drawing benefit, a man is almost inevitably brought into contact with the placement activity of the Employment Service. In Reid's study, in-plant placement services were also mentioned as another factor tending to raise the contact rate between redundant workers and the Employment Service. That is, when plants were closing down or considerable numbers were to be made redundant, officers from the Department of Employment would go into the factories and register men for placement even prior to their release by the companies in trouble.

The U.C.S. cut-back was, however, rather different from the situation found by Reid in the West Midlands over 1966-68. For example, no in-plant placement activity was undertaken by the Department of Employment. This was not through choice but because little opportunity for advance

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3. See Reid, G.L., 'The Role of the Employment Service in Redeployment', British Journal of Industrial Relations (Vol. 9, No. 2, July 1971)

registration of those about to lose their jobs was afforded by the firm's failure to give much warning to the men of their actual date of release.[4] It was also predominantly craftsmen who were released by U.C.S. and it is this group which is usually most likely to try to find work 'under their own steam' and so avoid the Employment Service. In addition, the U.C.S. redundancies involved a considerably higher voluntary element than did the redundancies reviewed by Reid. But, as we saw in preceding chapters, this was of questionable practical benefit. Less than a quarter of the men started looking for work before leaving U.C.S. and, in comparison with other British workers made redundant in recent years, they had experienced considerably greater unemployment by the time of interview.[5] This extensive unemployment, indicative of the prevailing employment conditions, provides one of the more compelling reasons for anticipating a high contact rate between the shipyard workers and the Employment Service. There were, then, factors acting for and against a high contact rate between the workers and the Employment Service. What was the pattern which emerged?

The 300 workers who remained active in the labour market after redundancy were asked,

> 'When you began to look for another job after U.C.S. did you look for work in any of the following ways?'

- followed by some common methods of job search both formal and informal. The differences between these methods were discussed in chapter 4. Here, we are concerned more specifically with the Employment Service. Almost $\frac{3}{4}$ (220) of the 300 job seekers affirmed that they had used the Employment

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4. Here, it is worth repeating that volunteering for redundancy well in advance of leaving did not mean that those who did so got notice of the same length.
5. See also Herron, F., 'Redundancy and Redeployment from U.C.S. 1969-71', The Scottish Journal of Political Economy, November 1972, where the experience of the U.C.S. workers is also compared unfavourably with that of railwaymen made redundant in Manchester and Darlington during 1963 and engineering workers made redundant in the West Midlands over 1966-68.

So we see that for Reid's sample as a whole, the contact rate with the network of local employment exchanges alone was under 50%. When workers using only the in-plant service are included the rate rises to over 60% and again to 82.5% when allowance is made for those who contacted both the in-plant service and the Employment Service outside the place of work. In other words, the 'basic' contact rate of the U.C.S. workers (73%) without the assistance of the in-plant service is higher than that for the engineering workers which is what we would expect given the difference in the prevailing employment conditions. If, however, some in-plant services could have been provided by the Department of Employment the contact rate would undoubtedly have been higher still. This is underlined by the fact that, of the 220 workers who made contact with the Employment Service, only 5 did so before they left U.C.S.

The 80 workers who had not contacted the Employment Service answered an open question asking why this was so. Their responses were categorised and fell into the pattern shown below.

Table 7.2 Reasons for not Contacting the Employment Service

	Reason	Numbers	%
1.	Already had job to go to	41	51.3
2.	Not entitled to unemployment benefit	1	1.3
3.	Preferred to find my own job	14	17.5
4.	They're no good	10	12.5
5.	They don't have suitable jobs	5	6.3
6.	They expect you to take the first job offered	2	2.5
7.	I wasn't looking for work	3	3.8
8.	Other	4	5.0

Just over half of the workers made no contact for the simple reason that there was no need to. They stepped into jobs immediately or almost immediately after leaving U.C.S.[7] A preference for finding jobs 'off

7. Of the 80 workers who made no contact with the Employment Service, 64% found other jobs within two weeks of redundancy and 74% within 4 weeks. For the same time periods, 29% and 44% of the Employment Service users found new jobs.

their own bat' was the next most frequently quoted reason. This, in itself, need not imply any dissatisfaction with the service of the state agency. If, however, we consider that reasons four to six inclusive do constitute such a criticism then we see that just over 1/5 of the workers avoided contact because of some unhappiness, real or imagined, with the Employment Service. Two of the three men saying they were not looking for work were over 65.

3. The Effectiveness of the Employment Service

As we saw above, the O.E.C.D. believed the Employment Service to be 'the single most important tool to ensure the proper functioning of the labour market'. To fulfil this role, there are a number of objectives which the Employment Service might set out to meet and its effectiveness can be gauged by the extent to which it does or does not do so. First of all, an important aspect of the Service's work is the extent to which it improves the quality and increases the transmission of information in the market. This function is difficult to evaluate without actually monitoring the interaction of job seekers with Placement Officers. We can, however, look at it from the 'customer's' point of view by considering the job offers they received as a result of contacting the Service.

(a) Job Offers

Of the 220 job seekers who made contact with the Employment Service, 117, more than half, failed to receive an offer of a job. Only in the case of the predominating skilled group did a majority and, indeed, the smallest possible majority (51%) receive a job offer. Otherwise, 73% of the unskilled and 63% of both the semi-skilled and staff workers received no job offers. It was also evident that the older a man was,

the less likely was he to receive an offer of a job through the Service. For example, 57% of those under 30 received a job offer, 49% of those in their 30's, 40% of those between 40 and 49, 38% of those from 50 to 59 and 35% of men between 60 and 64.

On this criterion, therefore, the performance of the Employment Service was not impressive. In the prevailing employment conditions it would, however, be misguided to condemn it on these grounds. The vacancy ratio for the Glasgow area, i.e., the number of unfilled reported vacancies per 100 wholly unemployed workers, stood at 7% in September 1969, about the time the redundancies began and declined thereafter to a dismal 1.77% in July 1971 when the survey took place. Openings for less skilled workers contracted in a still more disheartening way. With such a dearth of employment opportunities the Employment Service can hardly be blamed for failing to provide men with an attractive 'menu' of employment opportunities. Quite simply, there were few jobs 'on the books' of the Employment Service to which unemployed men's attention could be drawn. However, having few notified vacancies to offer did not mean that the Employment Service was totally failing to transmit information. Useful leads short of definite prospects might still have been given.[8]

Comparing U.C.S. with the situation examined by Reid in the West Midlands under better employment conditions, we find, not surprisingly, that a higher proportion of men in the latter case (56%) than in the former (47%) received offers of jobs through the Employment Service. The workers in the West Midlands also tended to be more choosey than the Clydesiders. There, for example, 61.5% of those receiving job offers through the Employment Service rejected at least one of them compared with 51.5% of the U.C.S. men. Although the men made redundant on Clydeside had not been reduced to the position where they were prepared to take any job, they were less inclined to turn jobs down than the Midlands workers.

8. The following chapter provides some evidence for this assertion.

It is also interesting to note why jobs were turned down. Almost $\frac{3}{4}$ of the refusals were made for three main reasons. Most prominent was 'poor pay' accounting for 30% of rejections, followed by 'travel would have been too difficult or costly' (23%) and 'would have meant moving house' (19%). Reid (1971) op. cit., also found poor pay to be the most frequently quoted reason (26%) for turning down jobs offered by the Employment Service but the location of jobs offered was not objected to nearly so much as it was in the case of U.C.S. Only 7% of the Midlands workers refused jobs for 'travel to work' reasons. This does not mean that workers in the West Midlands were more adventurous than the Clydesiders. A better explanation is that ordinarily more jobs are available in the West Midlands and offers there would usually relate to jobs near to men's homes. This would give a low proportion of refusals for travel to work reasons. Of course, the reverse would apply in Glasgow. All of this further illustrates the gravity of the job situation in and around Glasgow. Many of the jobs 'on the books' of the Employment Service were considered to be poor paying jobs by the workers or, if not, would have required them to leave home or involved them in unacceptable travel to work costs.

(b) Placement by the Employment Service

The considerable reduction in notified vacancies, the lack of opportunity for advance registration and the workers' disinclination to take up distant as well as lower paying jobs obviously made things more difficult for the Employment Service. This became clearer when it was compared with other commonly used methods of job search. First of all, only 25 of the 264 successful job seekers found their first jobs through the Employment Service This ratio (9.5%), commonly referred to as 'the penetration rate', is less than half that which has recently been attributed to the Public Employment Service.[9] In a study more specifically concerned with the Glasgow area,

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9. See, for example, 'Manpower Policy in the U.K.', op. cit., p.161 where it is suggested that the penetration rate for Great Britain lies somewhere in the region of 20%.

however, Mackay et al. (op. cit.) found the penetration rate of the Public Employment Service there to be something of the order of 13%, considerably lower than that held to obtain at national level but much nearer the rate we find for the same area.[10]

Despite the decline in vacancies and below (national) average performance of the Employment Service, jobs were available and being found in other less formal ways. Kahn in her study of car workers declared redundant by B.M.C. in 1956 made a similar point. 'The vacancies were there, but those that were both acceptable and suitable had evidently not been channeled through the exchanges.'[11] She believed the revocation of the Notification of Vacancies Order in that year considerably reduced the reporting of job openings to the Employment Service. We can also usefully compare the pattern of job finding in the U.C.S. case with that found in the West Midlands by Reid.[12] Table 7.3 shows how the U.C.S. workers found their first post-redundancy jobs and compares this with the West Midlands study.

Table 7.3 How the U.C.S. Workers Found Their First Post-Redundancy Jobs In Comparison with Redundant Engineering Workers, West Midlands 1966-68

	U.C.S.		West Midlands	
How Job Was Found	Nos.	%	Nos.	%
Friends or Relatives	85	32.3	196	33.20
Advertisement	32	12.2	122	20.67
Gate Notice	2	0.8	12	2.03
Trade Union	8	3.0	12	2.03
Employment Service	25	9.5	91	15.42
Applied on 'Off Chance'	90	34.2	115	19.49
Private Employment Agency	1	0.4	3	0.50
Other	20	7.6	39	6.61
D.K.	1	-	-	-
TOTAL	264	100	590	100

10. See Mackay, D.I. et al., op. cit., Table 13.2, Chapter 13.
11. Kahn, H.R., op. cit., p.108.
12. See Reid, G.L. (1972), op. cit.

If we consider friends or relatives, gate notice and applying on the 'off-chance' to be 'informal' ways of finding another job, and advertisement, trade union, employment service and private employment agency to be 'formal' ways of doing so, then for both sets of workers the former seemed more likely to produce new jobs than the latter.[13] This was especially so in the case of the U.C.S. workers where $\frac{2}{3}$ of the men's first jobs were found by such means in comparison with approximately 55% of the West Midlands workers. Consequently, we can conclude that more job opportunities appeared to be on offer and were being accepted along formal channels in the West Midlands than in the Glasgow area.

Penetration rates alone, however, do not convey a complete picture of the relative effectiveness of different job finding methods since, for example, a given method might fail to produce a large proportion of all the jobs found but still be very effective if only a small proportion of job seekers used it. The 'placement rate', that is the number of jobs found by a given method as a proportion of the numbers claiming to use that method, allows for this. Nevertheless, the uncertainty surrounding the numbers actually using different job search methods and the numbers of jobs found in different ways leaves the placement rate open to question here as in previous studies. Table 7.4 gives some indication of this.

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13. The tendency for blue collar workers to find jobs through mainly informal methods of job search is, of course, a pattern well established in British and American labour market studies. See, for example, Sheppard, H.L. and Belitsky, A.H., op. cit. p.89, Kahn, H.R., op. cit., pp.94-95 and Wedderburn, D., op. cit, pp.146-149.

Reid has previously observed that the way in which job search questions are put can have different effects on the placement rate.[14] When workers, for example, are asked an 'open' question rather than presented with a checklist of job search methods, higher placement rates will ensue as workers are more likely to mention job search channels unprompted if they found work through them.[15] The West Midlands study used the former style of question and the U.C.S. survey the latter which makes a direct comparison between them inappropriate. It also suggests that we look elsewhere to explain the anomalies emerging in the U.C.S. data. An alternative explanation is that there are important differences between ways of looking for jobs and ways of finding them. Some men, for example, may not have considered 'friends or relatives' and 'applying on the off-chance' as methods of job search although jobs could and apparently did 'materialise' through them. If we fail to distinguish between ways of job search and job finding, then 'windfall' gains are more likely to accrue to informal methods improving their performance in relation to more formal methods.

Although we have questioned the validity of equating job search with job finding, the implications of so doing are shown when we calculate 'adjusted' placement rates (column (4)) by including all those finding jobs by given methods in the numbers using those methods. This does not change the ranking of the different rates but changes their magnitudes with the exception of public and private employment agencies. This again illustrates that the positive act of registering with a job finding agency provides a 'harder' base on which to estimate success rates but, by the same token, such 'formal' methods will be excluded from 'windfall' placement gains.

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(14) Reid, G.L. (1972), op. cit.

(15) In fact, placement rates found in the West Midlands by Reid were considerably higher for all methods but one, 'applying on the off-chance.

With the foregoing reservations in mind, table 7.4 suggest that besides accounting for larger proportions of all the first jobs found the informal methods appeared also more effective in comparison with the formal methods. There are several substantive reasons why this should be so. First, although informal methods of job search have been the object of considerable criticism because of their alleged inefficiency, there is also reason to believe that this criticism is exaggerated if not misplaced.[16]

Second, we must take into account how the demand for labour was being transmitted. Despite the radical decline in notified vacancies, employers' manpower requirements would undoubtedly have been somewhat higher since notified vacancies are not definitive indicators of the true demand for labour. Even in a tight labour market situation when firms might be expected to notify vacancies more assiduously, Mackay et al. (op. cit.) found that, typically, firms still under-reported to a substantial degree.[17] In very slack employment conditions like those prevailing in Glasgow over 1969 and 1971, unemployed men would have been actively seeking out firms requiring labour, reducing still further an employer's need as well as inclination to use the Employment Service along with other more formal methods of recruitment.[18] In such circumstances, where the demand for labour was largely concealed and drawn to the attention of job seekers through informal channels, the opportunity for formal methods, and in particular the Employment Service to 'perform well' was by the same token clearly reduced. This is amplified by a more detailed review of the Employment Service's placements.

Of the 25 men placed by the Employment Service, 23 were craftsmen, an occupational group which the Employment Service is not normally noted for placing. At the same time this only amounted to 13.9% of all the

16. See Reid, G. L. (1972) op.cit. and Rees, A. "Information Networks in Labor Markets", American Economic Review (Papers and Proceedings) May 1966, pp.559-566.
17. See Mackay, D.I. et.al., op.cit., pp.351-356 and p.364.
18. See Hunter, L.C. and Reid, G.L., op.cit. pp.116-117.

craftsmen contacting the Employment Service which, nevertheless, was obviously better than for the other skill groups. Of the 55 men from other occupational categories registering, the Employment Service was able to place only two, one unskilled and one semi-skilled worker. Since, however, the skilled men had as much contact with the Employment Service as others, this together with the almost total lack of notified vacancies for less skilled workers made it more likely that when the Employment Service made a placement a skilled worker would benefit.

A third difficulty in the way of the Employment Service was that contacts tended to be older and, therefore, more difficult to place than non-contacts.[19] The non-contacts as previously indicated included 3 men over 65 who would not have been entitled to unemployment benefit. Excluding them, only half as many (12.5%) of the non-contacts were in the vulnerable over 50 age bracket in comparison with 23 per cent of those who did contact the Employment Service. Too much should not be made of this, however, since the best age-specific placement rate achieved by the Employment Service, 13.4% for those under 30, did not greatly exceed the average, 11.4%, for all Employment Service contacts.

Table 7.5 Employment Service Placement Rates by Age Group

Age						
Under 30	30-39	40-49	50-59	60-64	All	Nos.
13.4	10.2	12.0	11.8	5.9	11.4	220

While recognising that the relatively few placements made by the Employment Service make categorical conclusions risky, table 7.5 suggests that workers stood a small but, except for workers over 60, more or less equal chance of obtaining a job through the Employment Service irrespective of their age. The upshot of this is that even if all the 300 job seekers had contacted the Employment Service and its performance, age group for age

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19. The differences were significant at the 95 per cent level.

group, had been similar to that in table 7.5 the overall placement rate would have risen only marginally from 11.4% to 11.9%. In other words, the weak performance of the Employment Service was not primarily due to the fact that it had to deal with workers having particularly disadvantageous age and skill characteristics.

As a final comment, we must reiterate loudly and clearly that considerable methodological problems are involved in verifying the extent to which different job search methods are actually used. This might involve, for example, closely monitoring the search activities of a small cohort of job seekers. Without such validation however, we must agree with Sheppard and Belitsky 'that care be used when interpreting data dealing with the role of such agencies as the Employment Service in the job seeking activities of blue collar workers .... reliable answers to key questions cannot always be obtained through one or two simply worded inquiries,'[20]

(c) The Quality of Placement

For those workers whom the Employment Service did place, an interesting question is whether their adjustment to redundancy was better than for those who found other jobs on their own. Here, a number of factors might be taken into account including their time out of work, how the workers felt about the jobs first taken up and how the jobs compared in terms of skill and remuneration. Since the Employment Service placements were almost exclusively craftsmen, the comparison we make here is between the experience of skilled workers finding work 'off their own bat' and the skilled men who found jobs through the Employment Service.

The available evidence does little to suggest that workers finding jobs through the Employment Service did better as a result. There was, for example, no significant difference between the transitional unemployment of Employment Service users and non-users although the latter were,

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20. Sheppard, H.L. and Belitsky, A.H., op. cit., p.90.

The normal placing criteria of the Employment Service act against occupational mobility since there is some concern to preserve the skills of workers and to maintain credibility with employers seeking recruits. So the high occupational stability of its placements is not surprising, but the others, as we can see, managed to do almost as well on their own. Another observation on the two groups concerns their respective lengths of service in their first jobs.

Table 7.8 Length of Service in First Job
Employment Service Placements and Others (%)

	Service (months)								
	Up to 2	3-4	5-6	7-8	9-10	11-12	13-18	Nos. N.K.	Numbers
Placements	17	26	17	9	17	4	9	-	23
ers	34	22	15	6	12	6	4	1	178

The length of time a man stays in a job is another possible sign of what he feels about it. If he 'votes with his feet' and quits soon after taking it, this could be interpreted as an unfavourable commentary on the quality of the job. Of course, the quit rate is also affected by factors outwith the control of any job holder. Employment conditions influence the availability of alternative openings as well as the security of the jobs men are already in and so workers quitting jobs involuntarily can hardly be considered as 'voting with their feet'. In fact, 46% of both Employment Service placements and the others who quit their first jobs did so voluntarily while 55% of the former left through redundancy against 41% of the latter. So, while the workers placed by the Employment Service did tend to hold their jobs somewhat longer than the others, relatively more suffered further redundancy.

Finally, when asked to express a preference between their present or last jobs and those at U.C.S., there was little difference between those who found them through the Employment Service and those who used other

ways. Of the latter, 39% preferred their present or last job against 37% of the former. At the same time more of the Employment Service placements (63%) expressed a positive preference for their jobs at U.C.S. than the others (50%), but this was simply because 11% of the latter had gone back to the selfsame job they were made redundant from, or could see no difference between the jobs.

Summing up, then, the jobs found through the Employment Service had both good and bad points when compared with jobs found in other ways. They were of slightly higher skill level and, in the men's opinion, had a higher skill content. They also tended to be held longer. Against that, they were, on balance, less well paying, ultimately less secure and there was no indication that men relying on the Employment Service for placement were likely to experience shorter frictional unemployment as a result. Neither was there any evidence that more men finding jobs through the Employment Service found them preferable to those at U.C.S. than men finding jobs in other ways. All in all, there is no overwhelming reason to believe that the performance of the Employment Service made up in quality for what it lacked in quantity.

4. Conclusions

This chapter examined the role of the Employment Service during and after the U.C.S. redundancies. Almost $\frac{3}{4}$ of the job seekers contacted the Employment Service and, contrary to the usual pattern, craftsmen were just as likely to use it as others. The large numbers of tradesmen made redundant and the prevailing conditions made this inevitable. 'In-plant' placement activities would have raised the contact rate even higher still. Most of the workers not contacting the Employment Service did not do so because they had other jobs to go to and many others simply preferred to

find work independently. Only around 1/5 of the non-contacts anticipated some dissatisfaction with the service provided.

The Employment Service, however, was not very effective. Under half of the contacts received job offers, and these were more likely to be younger than older workers. The evident dearth of notified vacancies which complicated placement did not, however, persuade those receiving job offers to take whatever was going. Just over half turned down job offers principally because of 'poor pay' followed by an unpreparedness to move house or accept difficult travel to work.

The Employment Service compared unfavourably with other job search methods, as the penetration rate, 9.5% indicates. This was lower than that established by other recent British studies and much lower than that suggested for Britain by the O.E.C.D.

'Informal' methods in Glasgow also appeared to be more 'effective' in that higher proportions of users found jobs through them than through formal methods. Our data suggests, however, that a fairer judgement on the Employment Service requires a much more thorough, if difficult, investigation of job search and job finding techniques together with the recognition that they need not be the same. While recognising this, informal methods have recently received support and the dearth of notified vacancies suggests that employers in Glasgow were satisfying their requirements by informal methods thereby reducing the probability of finding a job by more formal means. Although Employment Service contacts were slightly older than non-contacts, the available evidence suggests that this was not the main reason for its weak performance.

Apart from the quantity of placement its quality is important and the evidence on this was mixed. There was little difference between Employment Service placements and others in duration of transitional

unemployment, job preference or in ability to preserve occupational status. The former, however, felt the skill content of the jobs was higher and they were also likely to stay in them slightly longer. On the other side of the coin, these jobs were slightly less secure and offered less take-home pay and lower hourly income than those found by men 'under their own steam'.

In conclusion, the Employment Service clearly had a thankless task. The role of 'honest broker' recommended for it by the O.E.C.D. was very difficult to fulfil when the requirements of one side of the market were not matched by similar demand on the other. In such circumstances, its relatively weak performance was virtually inevitable. The powerlessness of the Employment Service in the face of the daunting employment conditions was sympathetically recognised by many of the workers. A 41 year old joiner who had experienced 16 weeks transitional unemployment and unemployed when interviewed commented,

> 'From very recent experience all I can say is if there is no work for the Exchange to give the men what can they do?'

Similarly, a 53 year old labourer unemployed for over a year since being made redundant believed the solution lay outwith the Employment Service,

> 'More likely it's the country that needs to be changed. They (the E.S.) are only people doing a job. They can't find jobs that are not there.'

Chapter 8

The Image of the Employment Service

1. Introduction

In the preceding chapter, we recognised that the 'image' of the Employment Service, that is employers' and workers' preconceptions of what it was supposed to do and how well it was likely to do it, would affect their confidence and the extent to which they would use it. Particular emphasis has been put on the handicap placed upon the Employment Service by the paying out of unemployment benefit in addition to bringing job seekers and vacancies together. One consequence of this 'duality' is considered to be a reduction in the plausibility of the Employment Service as a labour market as distinct from a social security agency. Much of this is often attributed to the impact which memories of the pre-war 'dole queues' continues to have on the consciousness of potential users even to-day. The O.E.C.D. summed up this particular problem in the following way, 'The British Employment Service was originally founded for the explicit purpose of improving the mobility of labour. It has, however, received its chief imprint from the years of the depression, when its primary obligation came to be regarded as the payment of unemployment benefit.[1]

In this chapter we examine various aspects of the U.C.S. workers' attitude towards the Employment Service and relate this to its actual performance which we covered in chapter 7. In section 2 we briefly look at what the redundant men expected of the Employment Service and why. Section 3 goes on to establish the 'image' the respondents actually had of the Employment Service and also asks whether they found the service given them useful or not. The whole of section 4 is devoted to a detailed review of the workers' opinions of the Employment Service and what changes they would like to see in it.

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1. 'Manpower Policy in the United Kingdom' op.cit., p.160.

We should recognise at the outset, however, that the Employment Service was not ignorant of most of the deficiences identified by the U.C.S. workers. A comprehensive documentation of these defects nevertheless was not published until December 1971 and plans to remedy them were not put into action until after that.(2) Consequently, although the criticisms of the U.C.S. workers were, in mid 1971, about to be overtaken by events they were no less authentic for that. In the following discussion we acknowledge the remedies envisaged by the Department of Employment's policy documents. Section 5 presents the conclusions.

2. The Workers' Expectations of the Employment Service

Those workers who contacted the Employment Service were asked,

'Did you expect that the Employment Service would be able to get you suitable work?'

Excluding 6 'don't know's', the responses fell into two almost equal optimistic and pessimistic groups, 103 (48%) saying 'yes' and 111 (52%) saying 'no'. These proportions were not the same for all occupations and age groups but, at the same time, there was no systematic pattern in these differences. For example, while the skilled and staff workers divided evenly in their expectations, $\frac{2}{3}$ of the unskilled workers were optimistic and $\frac{2}{3}$ of the semi-skilled workers pessimistic. We know that the semi-skilled workers were the oldest occupational group and this may have led to their lower expectations. The proportions expressing pessimistic expectations did not, however, increase progressively with age. For example, 47% of the under 30's were pessimistic compared with 63% of men between 30 and 39, 50% of men from 40 to 49, 56% of men aged 50 to 59 and only 29% of men over 60.

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(2) See 'People and Jobs - a Modern Employment Service', Department of Employment, December 1971 and 'Into Action - Plan for a Modern Employment Service', Department of Employment, December 1972.

Looking at the reasons for these expectations, the pessimists seem to have been more realistic than the optimists. For example, the predominant justification (68%) given by the optimists for expecting a job through the Employment Service was simply the observation

'that's their job' or 'that's what it's there for'

This 'expectation' was either an act of unusual faith or more probably another illustration of the limited knowledge typifying many market, and particularly labour market situations.(3)

The pessimists appeared to have taken a more 'hard-headed' view of the situation. By far the most prominent reason for their pessimism was the gravity of the employment conditions. Forty six (41%) of the 111 pessimists based their low expectations on this. The remaining reasons put forward by the pessimists fell into two main categories, unfavourable personal characteristics or a poor opinion of the Employment Service. For example, seventeen workers (15%) felt they suffered from an age or skill disadvantage, most of these (14) believing lack of relevant skill to be their major problem, 11 of them tradesmen.

Altogether thirty nine (35%) of the pessimists attributed their lack of confidence to something about the Employment Service itself. Sixteen of these workers simply said that suitable jobs were not to be found through the employment exchange net-work and the other twenty three more bluntly said it was 'hopeless' or had never managed to help them before. The under-reporting of vacancies to the Employment Service is, of course, one of the operating difficulties it is understood to face. In this regard, one of the four main objectives outlined in 'People and Jobs etc.' was 'to convince employers that it is worth informing the Service of at least double the two million vacancies notified in recent years.'(4)

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(3) See, for example, Stigler, G.J., 'Information in the Labor Market'. Journal of Political Economy Supplement (VOL. 70, 1962) and Parnes, H.S., op.cit. pp 165-169.

(4) 'People and Jobs etc.' op.cit. p.7.

Consequently, without doubting the conviction of our respondents, at least some of their criticism might be properly seen less as a criticism of the Employment Service itself than of the system within which it has to operate.(5)

A final comment on the U.C.S. workers' expectations of the Employment Service is afforded by the extent to which they were realised which we can evaluate by comparing the proportion of optimists placed by the Employment Service with the proportion of pessimists. Given the low placement rate achieved by the Employment Service, we would anticipate the expectations of the pessimists rather than the optimists to be vindicated. In fact only 9.4% of the pessimists who found jobs did so through the Employment Service compared with 17.1% of the optimists. Although it is true that a bigger proportion of the optimists were placed by the Employment Service, it is nonetheless clear that the pessimists' estimation was nearer the mark. Only 9.4% of the pessimists had their expectations controverted compared with 82.9% of the optimists which illustrates that the optimists' initial belief in the Employment Service was, in the circumstances, excessive anyway.

3. The 'Image' of the Employment Service

If the Employment Service is primarily seen not as a labour market agency but rather as a branch of the social security system then its effectiveness in the former role may suffer, particularly if labour seeking firms and employment seeking workers feel that the employment exchanges are associated with the 'work-shy' and people incapable of taking any initiative by themselves. In such circumstances firms would prefer to recruit through other sources and men anxious for work would consider an association with the Employment Service to be detrimental. Interestingly, however, the Department

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(5) The workers' recommendations on this problem and others are discussed further in section 4.

of Employment believes social and economic aims must be reconciled, 'The Employment Service has both an economic and social function and these cannot be separated (particularly those) special responsibilities to those workers who experience unusual difficulties in getting or keeping satisfactory employment.'(6)

While we can make no evaluation from the employers' side we can compare how the Employment Service was viewed by those who did and those who did not make contact with it. The respondents' opinions were elicited by showing a card listing six different descriptions of the Employment Service and asking,

> 'Looking at this card, which comment is the best description of your attitude to the Employment Exchange?'

Table 8.1. The Image of the Employment Service in the Eyes of Workers Contacting and Not Contacting the Service (%)

View of the Employment Service*	Workers Contacting the E/S	Workers not Contacting the E/S	All
1. A Place For Finding Out About Jobs	27	19	25
2. A Place Where You Collect the Dole	39	28	37
3. A Place For Finding Out about Training	2	-	2
4. A Place For Layabouts	13	38	20
5. A Place For Finding Men to Fill Jobs	15	14	14
6. None of These	3	1	2
Numbers Don't Know	4	6	10
Numbers	220	80	300

* Note: The sequence of the listed descriptions was varied among the show cards used by different interviewers to avoid bias.

(6) 'People and Jobs etc.' op.cit., p.6. Rees, (op.cit.). however, suggests there can be a 'strong tension' between such social and economic objectives.

Taking all 300 active job seekers together, the Employment Service was most frequently seen as 'a place where you collect the dole' over ½ of them seeing it in this light. This retrospective view, however, was probably tinged by more than a touch of irony if not bitterness because of the men's post redundancy experience. Some initially might not have seen the Employment Service as basically a dole paying organisation but in the circumstances that's what it turned out to be: This air of resignation was poignantly conveyed by a 51 year old fitter,

> 'I used to think they were to get you jobs but not now. They can't help much. They have more people wanting jobs than jobs needing people. It is not really their fault. It's just too much unemployment in Scotland.'

Reid's appraisal of the Employment Service in another redundancy situation again makes a useful comparison. He found that less than 20% considered it to be 'a place where you collect the dole' while over half viewed it as a place for finding jobs, finding men for jobs or finding out about training.(7) In comparison, 37% of the U.C.S. workers saw it in its dole paying role and 41% in its 'Labour market' role. While these differences are not conclusive in themselves, they are consistent with the experience of the respective groups and with the performance of the Employment Service in each case.

Some interesting differences emerged between Employment Service contacts and non-contacts on Clydeside. The biggest difference was in the proportions who considered the Employment Exchange 'a place for layabouts'. Three times as many of the non-contacts described it as such and they were also more inclined to describe it in this way than as a place for collecting the dole. A corollary of this was that only ½ of them viewed the Employment Service as a job finding agency. In the preceding chapter we saw that the non-contacts were somewhat younger than the contacts, were back into work more quickly and exhibited some preference for finding work on their own. This suggests that they were a more independent, more forceful group.

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(7) Reid, G.L., (1971) op.cit.

Many of them also seemed extraordinarily insensitive to the position of those thrown on to the Labour Exchanges. This is underlined when we compare them with Reid's study. There, around 20% of Employment Service contacts and non-contacts alike saw it as 'a place for layabouts'. This is still a sizeable proportion but considerably less than among those who preferred to 'go it alone' on Clydeside.

Some of the reasoning behind this view-point emerged in the responses to another 'open' question on the Employment Service. For example, a 31 year old semi-skilled worker put it,

> 'People should be allowed to receive money for, say, 3 months. Three months is adequate time for a person to find a job.'

Another 25 year old pipe-fitter recommended,

> 'Tell them to dig streets or gardens for the money they are getting. Get them to be of some use to the community.'

And a 28 year old electrician thought,

> 'You should get more money for the first month and less each progressive month until you get a job. This would also sort out the hangers-on who've been on the books for years.'

This last advice was all the more extraordinary since the man's experience after redundancy had been anything but easy. It had taken him 20 weeks to get another job from which he had been made redundant again! Since leaving U.C.S. he had been out of work for a total of 27 weeks and was still unemployed when interviewed. We are not suggesting that the social security system suffers from no abuse but it is surprising to find men made redundant from a labour force popularly considered as specially solidaristic and militant exhibiting such little awareness of the reasons for and the problems of involuntary unemployment.

In view of the Employment Service's performance and its image in the eyes of the U.C.S. workers we would not expect those contacting it to have found it very useful as a job finding agency. In fact, most of them found it either not very useful or useless but the differences between their opinions and those found, for example, by Reid (1971) op.cit. were not

very great.

Table 8.2. Usefulness of Employment Service Information and Advice in Looking for New Work, Employment Service Contacts on Clydeside and in the West Midlands (1966-68) %

Usefulness of Information	U.C.S.	W.M.
Very Useful	7.7	10.4
Quite Useful	19.1	23.4
Not Very Useful	34.5	26.8
Useless	35.0	34.2
Indifferent/Don't Know	3.6	5.2
Numbers	220.	518.

A third of Employment Service contacts in the West Midlands found its assistance quite useful or very useful compared with 26.8% of the U.C.S. people. Given a placement rate of 11.4% on Clydeside, it is surprising to find a considerably higher proportion of the U.C.S. respondents commending the usefulness of the Employment Service. Although our question asked for an opinion on job information specifically, there seemed a possibility that the men did not distinguish this from the sympathetic treatment which they may have received from Employment Service officials.(8) As we shall see in the following section, however, the respondents' overall impression of how they were treated by Employment Service officials was unfavourable rather than favourable.

An alternative explanation is that although the placements directly attributable to the Employment Service were unimpressive the information provided gave the recipients new ideas or brought other employment possibilities to their attention indirectly. For example, a worker sent to one firm may have found no current openings there but heard of a vacancy going in an associated or neighbouring company. This might be considered

(8) This possibility was also remarked upon by Wedderburn, D., op.cit. P.137 and Kahn, H.R., op.cit., p.104.

a transition from a formal to an informal job search method. In such circumstances, the distinction between the two becomes questionable, a point to which Reid (1972) op.cit. attaches considerable emphasis. It is also a fact of life recognised in the Department of Employment's advice to placement officers, 'In dealing with people who are finding difficulty in getting and keeping a job, the employment officer needs to know where they might find a suitable opening even if no vacancy has been notified by employers. Many jobs are found in this way and this means that employment officers must have good contacts with employers in their area.' (9) Rees (op. cit.) concurs with this.

Compared with the West Midlands, the U.C.S. workers' opinions of the Employment Service's assistance were not much more adverse. Certainly, 69.5% of the U.C.S. people thought the advice given them not very useful or worse but 61% of the men using the Employment Service in the West Midlands expressed similar views. So despite more favourable employment conditions, the Employment Service there did not impress its clients much more than on Clydeside. Such findings, similar to those in other British studies of redundancy, underline yet again the difficulties which the Employment Service usually has to face.(10) Where most attractive vacancies pass the Employment Service by and where workers find informal methods of job search more productive as a result, it is almost inevitable that the placement record of the Employment Service will be poor and a majority of clients dissatisfied.

4. Workers' Recommendations For the Employment Service

Although some workers did not contact the Employment Service after redundancy this did not necessarily mean that they had no experience of or opinions on the Service. Both Employment Service contacts and non-contacts

(9) 'People and Jobs', op.cit., p.16.

(10) See, for example, Kahn, Hilda R., op.cit., p.98 and pp.102-110, Wedderburn, D., op.cit. pp.136-138, as well as Reid, G.L., (1972) op.cit.

were therefore asked a general question,

'Are there any changes you would like to see in the Employment Service?'

We were prepared to record and classify up to three comments from each respondent but most, in fact, tended to concentrate on one point or another. The pattern of criticism coming from contacts, non-contacts and both taken together is shown below.

Table 8.3. Comments on the Employment Service, Contacts and Non-Contacts (%)*

Comment	E/S Contacts	Non-Contacts	Together
Generally Satisfied	6	1	5
Generally Dissatisfied	14	11	13
Critical of E/S Procedure	20	14	18
Critical of Jobs Offered	11	10	11
Critical of Staff	17	18	17
Praise for Staff	5	-	4
'Layabouts'	9	14	10
Don't Know Much About It	15	34	20
Other	35	18	30

*Note. Percentages do not add to 100 because the respondents were free to make more than one comment.

Overall, very few had a favourable impression of the Employment Service. Only 11% of the contacts and 9% of all the workers were satisfied either with the general service or with the Department's staff. Before going on to look at some of the criticisms in greater detail, two other general observations are worth making. First, references to 'layabouts' are less prominent than they were in table 8.1, which was based on a 'closed' question using a show-card. This suggests that the emphasis on 'layabouts' in the previous case may have been partly due to the form of

that question. Second, table 8.3 reports a considerable number of 'other' responses, again attributable to the 'open' form of this question which made it difficult to classify some responses under a particular heading. On inspection, however, most of these 'other' observations were seen to be variations on the main themes outlined in table 8.3. Included in them, however, were 14 respondents who said there were no changes they particularly desired to see in the Employment Service, half of them because they preferred to find their own job and half because they felt the Service had 'made the best of a bad job'.

The remainder of this section reviews how our respondents criticised the Employment Service in their own words. Their comments are reported in a number of 'subject areas' which for the most part are equivalent to or sub-sections of the general headings we used in table 8.3. Most of the substantive criticisms outlined in table 8.3 referred either to Employment Service procedure or to its staff. It is these areas we turn to first.

(i) Employment Service Organisation and Procedure

The various criticisms made in this vein were concerned with the reporting of vacancies, the size and staffing of the employment exchanges in conjunction with their responsibility for paying unemployment benefit and their placement procedure. We cover each of them in turn.

(a) The Reporting of Vacancies

Communications between the Employment Service and recruiting firms were considered deficient in two ways. First, firms failed to report their manpower requirements in full. Second, many employers who did report vacancies often failed to notify the Employment Service if and when they were filled. As an example of the former criticism, a 61 year old plumber's helper said,

'I should like to see all jobs for working folk at (the) exchange not just ones they can't fill by other means.'

And a fitter's mate put it.

'One thing I would like is that the labour exchange should handle all vacancies for all jobs as I feel just now they only get the jobs no one wants.'

A 31 year old sheet metal worker felt communications were deficient but also felt, as things were, it was a disadvantage to be associated with the Employment Service,

'I think myself there should be more contact between the exchange and employers. Employers don't seem to be keen on taking on men with a "wee green card". They'd rather have a man who hadn't been to the exchange, just applied "off his own bat".'

As a final indication of this vein of criticism, a 54 year old electrician thought that workers, given the opportunity, would rather use the Employment Service than other formal methods,

'Employers should be encouraged to make use of the exchange. Surely this would save money on adverts. etc. Men are not keen to write to box numbers anyway.'

This vein of criticism is self-evidently an important one. Under-notification of vacancies by employers is a large, if not the major, handicap to the Service's placement activities. In its plan for future reorganisation (which is now current) the Department of Employment professed 'no desire to secure a monopoly in placing work for its Employment Service ' and proposed to rectify this particular deficiency by'marketing' the idea of the Employment Service to employers.(11) In the absence of any statutory obligation there is clearly little alternative open to it. Changing a 'brand image', however, is no small task and, although obviously worthwhile, expectations about its success in the short term, if realistic, should not be too high.

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(11) 'People and Jobs etc.', op.cit., pp. 6-7

The frustration and cost of being referred to an already filled vacancy was conveyed by a 52 year old 'marker off',

> 'I think there is something wrong with the system. Employers don't notify the exchange when jobs are filled. Men are out expenses going on wild goose chases.'

A number of other men also commented on the travelling costs involved in pursuing job opportunities unsuccessfully. While redundancy pay and unemployment benefit are intended, in part, to cover such outlays, there is a case for these specific costs being underwritten by the issue of travel tokens, especially in the case of the long term unemployed.

(b) The Size and Staffing of Employment Exchanges

In the preceding sections we suggested that circumstances made the payment of unemployment benefit loom still larger in the minds of the men when asked to appraise the Employment Service. Inevitably and understandably this function also figured prominently in their general recommendations. Some ruefully observed that they simply were not big enough to accommodate the numbers employed.

> 'The exchanges should be larger - more in keeping with the number of unemployed people'

or more succinctly,

> 'more room, more staff'

This criticism was prevalent in Clydebank where one employment exchange had to take care of considerable numbers of redundant men whereas U.C.S. workers living in Glasgow would have reported to different employment exchanges throughout the city. Others were more explicit about the nature of the problem,

> 'Congested, - would like it speeded up on "pay-out" days - got to stand in one queue for the slip and another for the money'

This brought the recommendation from another worker,

> 'Send the money out by post. It would give them time to find jobs for people.'

There is little that needs to be added by way of commentary other than to acknowledge the pressure put on the employment exchanges by the numbers of unemployed men they were required to handle.

(c) The Placing Procedure of the Employment Service

Our respondents made various comments about the placing procedure they experienced although the changes which some men would welcome were occasionally at variance with those recommended by others. For example, some wanted greater flexibility in the placement criteria of the Employment Service while others complained about being referred to 'inappropriate' job openings. The comments reported here suggest more 'self-service' in the exchanges, different sections for different skills and age groups as well as a review of the Service's placement criteria.

An analytical estimator combined several of these comments in asking for 'Self-service like they have in England. They only offer you jobs in your own trade whereas you would try many others if offered. All jobs should be displayed on notices and men can pick what they want'.

And a joiner suggested,

> 'There should be a sort of 'job library' where you could look through cards etc. giving jobs instead of standing about waiting to be attended.'

While an engineer expressed a desire

> '... to see them like the London on "telly" where they had cards with jobs and you could look around for yourself.'

However, a prerequisite for a self-service system is that there should be a stock of jobs suitable for perusal and while this may have been true for 'the London one on the "telly" ' it was decidedly not for Glasgow at the time.

Other workers felt more specialised treatment according to occupation was required and it seemed that this was, again, partly due to the sheer weight of numbers thrown on to the exchanges. The situation at Clydebank was particularly remarked upon once more.

> 'Labour exchanges for separate jobs or skills. Clydebank has 2,000 men on their books and you are just another number to them'.

And an engineer was still more critical,

> 'I would like to see part of the exchange laid out only for engineers. The Glasgow labour exchanges are a pleasure to go in and look for work - comfortable seats, adequate lighting, pleasant decor. Clydebank is a shambles compared to this'.

While a pipe-fitter recommended,

> 'Deal with the trade unions a bit more then people wouldn't be sent to jobs that weren't suitable.'

Finally an engineer felt that men were being unnecessarily limited by their past work history and training,

> 'I would like to have the chance of serving at some other trade. The fact that I'm a time served engineer bars me from taking any other training course whatsoever. If I could take a training course in any of these things they advertised I would willingly do so but they won't allow me.'

From such observations one, again, gets the impression of the employment exchanges and particularly Clydebank labouring under a heavier work load than they could adequately handle. Hence, the requests for self-service and different premises for different occupational groups, both clearly intended to 'break up' or short circuit the procedures in use. In a situation where the openings in any one particular trade were severely restricted it is also understandable that some men would want to 'take their chances' in some other field.

Other workers, particularly older men, thought or hoped that the ineffectiveness of the Employment Service might be overcome by some organisational change. The resentment and helplessness of

the older worker was captured by a 58 year old plumber,

> 'I wish they would find me a job - that's all. It seems you are done - finished at 50. I don't feel done! I want to work'.

Other workers made more positive suggestions,

> 'There should be a special register for older men. The over 45's seem to be finished as far as the labour exchange is concerned',

or

> 'A special section making a round of employers willing them (sic) to take older men who have years of experience. Men over 50 should have a separate office to go to where they can be looked after thoroughly'.

The Department of Employment's 'plan for the future' inevitably embraced the size and staffing of its exchanges as well as their placement procedures. Many of our respondents' recommendations were scheduled to be introduced including the separation of placement from benefit paying activities, paying unemployment benefit by post and providing facilities for more 'self-service'. While admirable in themselves, even if implemented in Glasgow over 1969 and 1971 their impact would have been questionable because of the severity of the prevailing employment conditions. This is especially so in the case of the older workers' demands for preferential treatment. Even if they had been accorded this, they would still have been at a disadvantage. Nevertheless, their request was an understandable one which, if acted upon, could be worthwhile in more favourable circumstances. Although 'People and Jobs' paid some attention to specialised services for particular groups, specific reference to the older worker was notable by its absence. The problems of the older worker certainly justify a 'mature workers' equivalent of the Youth Employment Service.(12)

(ii) <u>The Employment Service Officials</u>

As we saw in table 8.3 the staff of the Employment Service received much more criticism than praise. The nature of the men's observations indicates the invidious position which the Employment Service officials were in. Some men blamed the staff for not being

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12. See Mukerjee, S., '<u>Through No Fault of Their Own</u>', P.E.P.1973, pp.21-25, where some possible ways of helping the older worker are explored including more imaginative management of internal labour markets by employers.

able to get them a job but most of the criticism was directed at the apparent attitude of the officials. One plumber in his twenties complained,

> 'Everyone is treated in the same cheeky way whether you are genuine or a layabout'

and another asserted,

> 'I'd like them to get me a job. There is a kind of "couldn't care less" attitude in that place. They are alright and that is all that matters.'

Such resentment against people who were in employment was understandable. The frustration caused by involuntary unemployment and its impact on the men's self-esteem were also evident in their sensitivity about how they were regarded. A middle-aged electrician demanded,

> 'Civility! - because you are unemployed they treat you like dirt.'

Similar protests were

> 'You sit like wooden soldiers waiting and they've nothing to offer you. The waiting is worst - the lack of communication. They treat you like dirt'

and

> 'Some people behind the counter treat you as a layabout - don't seem to realise you don't want to be out of work'.

Other workers, however, were prepared to recognise that there were limitations on the Employment Service staff's ability to do anything for them.

> 'I thought the employment exchange people quite civil but quite definitely very understaffed. You have to wait for hours and then discover there are no jobs to be got anyway',

or

> 'I felt they were sympathetic and willing to help but unable to do so satisfactorily because of the large numbers they were dealing with'.

No doubt some Employment Service officers were off-hand and unsympathetic to the redundant workers. Much of the criticism directed at the staff would, however, have been caused by the

circumstances. The officials could not place men in jobs which were not there or attend to large numbers of unemployed men simultaneously but their failure to do so drew some personal criticism. Taking everything into consideration perhaps the most appropriate conclusion was drawn by one man who observed,

> 'I feel that they did their best for me. There just was no work to be got.'

(iii) The Image of the Employment Service

The preceding sections reviewed the factors influencing the 'image' of the Employment Service and outlined what this image was in the eyes of the U.C.S. workers. A closer examination of the men's views confirms that many were concerned about being condemned as 'layabouts' through association. Some felt there was some stigma in being seen to be unemployed and believed postal delivery of unemployment benefit would help.

> 'I don't think there is anything wrong with them but to me they are very degrading places. If they could send out money instead of collecting it this would help'

and

> 'I would have preferred to have had my unemployment money posted on to me to save me the embarrassment of going there'.

Others considered the stigma was attached to the habitual users of the employment exchanges and expressed some apprehension that it would rub off on to 'genuine' job seekers; e.g. a fitter in his twenties thought,

> 'They should have a department for those who want to work and one for those who don't. Keep them separate. It's very depressing to queue with those who don't want to work.'

Similar sentiments were expressed by a 50 year old plater's helper,

> 'Exchanges should be separated for men really wanting to continue working and the others who just go for the handouts.'

A curious feature mentioned in section 3 and which we return to here was that many of the men expressing contempt for the 'regulars', had experienced considerable difficulty in getting back into work and were often again unemployed when interviewed. This, one might have thought, would have persuaded them to see other unemployed men in a somewhat different light, as victims of the economic situation in the West of Scotland. Instead, it was their concern with the 'layabouts' which they chose to emphasise. Indeed, a surprising feature of the survey was how many still felt unemployment was culpable and avoidable. This was typified by a plumber who couldn't find a job at his trade and, after 18 weeks unemployment, took a labouring job.

> 'Cut off the money from men who have been on the exchange too long. I'm a tradesman and I've taken a labouring job because there was nothing else. I'd rather have this job than not work at all.'

The preceding personal observations help to animate the data presented in chapter 7 and earlier in this chapter. They underline the scale of the problem and the difficulties found both by the men and the Employment Service. Our impression of an Employment Service facing a 'Herculean' task is clearly reinforced by the workers' own reading of the situation. In view of the evident lack of dynamism in the local economy, the recommendation made by a 45 year old joiner was perhaps a legitimate one,

> 'A rise in unemployment money. If there's no work they can't do anything about it.'

5. Conclusions

This chapter examined the image of the Employment Service as seen by the U.C.S. workers, how they evaluated its usefulness to them and the changes they would like to see in it. Workers contacting the Employment Service were evenly divided in their expectations of finding jobs through it and these expectations were not systematically related to age or skill. The main reasons for holding pessimistic expectations were the prevailing employment conditions, lack of confidence in the Employment Service and unfavourable personal characteristics like age and, more particularly, skill. The low opinion of the Employment Service was largely based on the fact that few good jobs were notified to it, which might properly be seen more as a criticism of the system rather than of the Employment Service itself. Optimists justified their high expectations mainly with the simple observation, 'that's their job' but the Employment Service's low placement rate caused the pessimists' expectations to come much nearer the mark.

The commonest view of the Employment Service held by the U.C.S. workers was 'a place where you collect the dole' and this was more prevalent than amongst workers made redundant in the West Midlands between 1966 and 1968 under better employment conditions. Non contacts saw the Employment Service in a less favourable light than did contacts and the stress they put on 'layabouts' seemed extraordinarily misplaced in the prevailing situation especially since many of them experienced considerable difficulties after redundancy themselves.

Most of the Employment Service contacts found it not very useful or useless in the job search but their assessment was not much worse than that of the West Midlands workers which indicates that satisfaction with the Employment Service is affected by more than just the prevailing employment conditions. The under-reporting of good jobs to the Employment Service remains a particular handicap and reduces workers' impressions of its

usefulness. More workers, however found the Employment Service useful than were placed by it which suggests that, although its direct placement rate was low, the Employment Service may have managed to put workers into situations which led to other opportunities.

While the workers' own opinions of the Employment Service were varied, less than 10% of them were satisfied either with the general service they received from the Employment Service or with its staff. Most of their substantive criticisms were concerned either with some aspect of the Employment Service's operating procedure or with its officials.

Regarding procedure, the men's comments ranged over the reporting of vacancies, the various exchanges' efficiency in servicing their registrants and the placement criteria being applied. It was felt that all vacancies should be channelled through the Employment Service which should also be notified when vacancies were filled to prevent men being sent on frustrating and costly 'wild goose chases'. The criticisms of the service received were mainly related in one way or another to the numbers of unemployed men on the register at that time which caused congestion and delays in paying out unemployment benefit as well as detracting from the Employment Service's placement role. Recommendations for improvement included bigger exchanges, more staff, separate facilities for different types of worker and payment of unemployment benefit by post. Some older workers felt that more preferential treatment by a 'special task force' in the Employment Service might have improved their lot. Self-service was also recommended since some workers felt that, otherwise, they were presented with little or no opportunity to try something new.

The explicit association of 'layabouts' with the Employment Exchanges recurred again in the men's spontaneous criticisms of the Public Employment Service. Such respondents seemed to feel there was a stigma in being unemployed or through being associated with the long term unemployed. A similar feature was the surprising number of men who saw unemployment

as some sort of character defect despite experiencing considerable difficulties themselves, rather than as a result of economic conditions.

All the foregoing criticisms of the Employment Service, legitimate in the circumstances, were about to be met in the Department of Employment's plans for reorganisation of the Employment Service. These included separation of placement and benefit paying activities, facilities for self service and the building of a new network of well designed, well located employment offices. Without doubting the need for modernisation it would, at the same time, be wishful thinking to imagine that such organisational changes on their own could have significantly improved the lot of the U.C.S. workers. This could only have been achieved by the existence of adequate alternative job opportunities and this lay outwith the domain of the Department of Employment.

Chapter 9

Other Aspects of Manpower Policy

1. Introduction

'Active manpower' policies, or 'positive labour market' policies, are in their comprehensive form a relatively recent development resulting from the need to reduce incompatibilities between different goals of economic policy. The Employment Service is obviously at the centre of such policies and the two preceding chapters discussed its role as a transmitter of information. Other concerns of manpower policy are to raise the quality of the labour force by providing facilities for training and retraining, to reduce obstacles to mobility and to provide adequate financial support to workers losing jobs in order to reduce their opposition to change and allow them to look for other opportunities which would fully utilise their capabilities.

Before evaluating the effects on Clydeside of these other aspects of manpower policy, however, two observations are worth taking account of, first, that of Lloyd Ulman in the Brookings Institution review of the British economy, 'Incomes policy and active labor market policy are alternative strategies ... for reducing the conflict between price stability and full employment.'[1] This recognises that, in principle, there are two broad ways of doing this, controlling effective demand at 'full' employment level so that it does not outstrip the economy's capacity to satisfy that demand or by attempting to raise the economic growth rate by promoting fuller and more efficient use of the country's resources. In other words, this view of active or positive labour market policies sees them in the context of and being made relevant by the existence of a high pressure of demand in the economy.

Second, the O.E.C.D., in its more recent appraisal of manpower policy in the United Kingdom, remarked that such measures as the Redundancy Payments Act (1965) and the introduction of Earnings-related Unemployment Benefit (1966) were introduced 'in order both to influence the short term

1. See Britain's Economic Prospects, Allen and Unwin, 1968. p.379.

development /of the economy/ and at the same time create a new institutional situation for the future .... These were part of 'the strategy' for combining an economic stabilisation policy with measures which should either reduce the ensuing unemployment without evolving new inflationary phenomena or make this unemployment socially and politically tolerable'[2] (My emphasis). Accordingly, some active manpower policies can be viewed both as measures to facilitate redeployment and as measures to promote change through providing a financial sweetener to the bitter pill of redundancy and unemployment. In the latter case, however, if the resultant unemployment is anything but frictional it becomes questionable whether they can legitimately be considered as 'active' labour market policies. If the unemployment is extensive and the financial aspects of labour market policy can more appropriately be seen as a form of income support we must also recognise that the costs of long term unemployment can far exceed the protection afforded by redundancy compensation and earnings related supplement.[3]

Such considerations are important especially since the preceding two chapters suggested that the level of economic activity at national level and particularly on Clydeside would have resulted in active manpower policies losing some of their salience as labour market measures. To assess the extent of this, section 2 examines how much retraining and geographical mobility was undertaken by the U.C.S. men. In section 3, we evaluate the use which the men made of their financial compensation, particularly their severance pay. Section 4 sums up.

2. The Extent of Retraining and Geographical Mobility

(a) Retraining

Since most of the men released by U.C.S. were craftsmen with more or

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2. Manpower Policy in the United Kingdom, op. cit., pp.177-178
3. The following chapter makes an estimate of the net costs imposed on the men by redundancy.

less marketable skills, we might have expected them to be unenthusiastic about retraining. In fact, of our 300 participants in the labour market only 12 had applied to a Government Training Centre (G.T.C.) since redundancy, six craftsmen, five semi-skilled and one unskilled, and none of these eventually transformed their skill as a result. One embarked on a training course but didn't complete it, five of the remainder, including four craftsmen, had their applications rejected and the others either changed their mind, found the waiting period for a place too long or the G.T.C. did not offer the training desired.

As expected, the predominant reason (69%) given by the men for not applying to a G.T.C. was that they already had a trade. The pattern of response for the various occupational groups is shown below.

Table 9.1 Reason for Not Applying to G.T.C. By Skill Level (%)

Reason	Skill				
	Unskilled (23)	Semi-Skilled (37)	Skilled (214)	Staff (14)	All (28
'Had a Trade'	13	3	86	69	69
Training No Good	4	8	1	2	2
Had a Job or Could Easily Find a Job	17	11	1	14	5
Training Does Not Help in Finding a Job	13	19	2	-	5
Training Too Long	-	3	-	-	<1
Could Not Afford It	9	14	1	7	3
Too Old	22	27	4	-	8
Never Thought of It	13	16	3	7	6
Other	9	-	2	-	2
	100	100	100	100	100

Not surprisingly, it was primarily the higher skilled workers who attached the greatest emphasis to their possession of a trade. Since the question was an 'open' one allowing each respondent to put forward his own reasons,

we should not be surprised that some of the less skilled workers should think they 'had a trade'. As used here, this category could include statements like 'was experienced in my own job' which need not imply possession of craft skills. In any case, other reasons were of greater importance to them. Both the semi-skilled and unskilled workers thought retraining did not make much sense at their age. Otherwise, they thought retraining was not too helpful in finding other jobs, they could find jobs without retraining, it involved too great an opportunity cost or, quite simply, they just didn't think about it.

Only sixteen men, thirteen craftsmen and three semi-skilled workers, claimed to have been retrained other than through a G.T.C. All of the latter and four of the tradesmen received informal 'on the job' training while the remainder claimed to have undertaken more formal retraining including one worker who embarked on a full time course of further education. Quite clearly, very little transformation of the men's skills took place in the aftermath of redundancy.

(b) Geographical Mobility

In chapter 4, we established that, when interviewed, 32 workers had changed their place of residence for work reasons. In addition, 5 men had taken a job away from home since being made redundant but had returned home by time of interview. At the first stage of redeployment, half (19) of these workers nevertheless remained in the West of Scotland. Only one of the remainder moved elsewhere in Scotland and the other seventeen workers migrated to England and Wales (13), Ireland (1) or abroad (3). This, however, was not the total migration undertaken by these 37 workers. Further mobility resulted in the case of the job changers. Here, we find that of the workers originally moving within Scotland another 9 emigrated at the latter stage of redeployment. This means that 26 of the 37 workers

who changed their place of residence to take up either their first or subsequent jobs actually left Scotland in order to do so, 20 of them moving to England or Wales, one to Ireland and five overseas.[4]

So, once a worker from U.C.S. became prepared to move his home to find another job he was just as likely and, indeed, more likely to move a considerable distance to do so. Overall, however, the emigrants did not represent a large proportion of all the workers finding jobs. Twenty six workers amount to less than 10% of all the men who managed to get back into work (264), and only 6.5% of the total number of jobs held after redundancy by the men in our sample, 264 by single job holders and 141 by job changers.

Nevertheless, although not large in absolute terms, the numbers leaving Scotland to take up jobs elsewhere was by no means insignificant in comparison with what other evidence we have on inter-regional migration. Hunter and Reid, for example, suggest, 'In the United Kingdom, gross inter-regional migration of employees is normally around 3 per cent.'[5] While we would not attach too much weight to this comparison because of the question mark against the reliability of intra national migration data, the evidence suggests that amongst the U.C.S. workers the preparedness to take a job far from home was, if anything, above average. The emigrants were, as we would expect on the basis of previous evidence on worker mobility, skilled and youthful.[6] Twenty were craftsmen, two unskilled, three semi-skilled and a staff worker. Nineteen were in their twenties, three in their thirties and four under fifty. No workers over fifty were among the emigrants.

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4. As we saw in chapter 6, however, job changing produced some return migration as well as further out migration. So the total of 26 emigrants is a gross not net figure presented to convey an impression of the entire emigration in the aftermath of redundancy.
5. Hunter, L.C. and Reid, G.L., Urban Worker Mobility, O.E.C.D., 1968, p.46. The average time between redundancy and interview for the 300 active participants in the labour market was 13 months making a comparison with annual rates of migration not inappropriate.
6. Urban Worker Mobility, op. cit., pp.47-50. and Reynolds, L.G., op.cit. p.241.

3. Unemployment Benefit and Redundancy Pay

At the beginning of this chapter we suggested that to consider the financial aspects of active manpower policy as labour market measures or as some form of social security benefit depended on labour market conditions and, in the absence of an effective demand for labour, it was the latter which was likely to assume greater significance which the O.E.C.D. report frankly recognised. The evidence from U.C.S. endorses the aptness of this observation.

First of all, in chapter 5 our regression analysis, in line with other research, found no strong relationship between the length of post-redundancy unemployment and redundancy pay or unemployment benefit even although the objectives of these financial labour market measures included giving men time to make efficient job choices.[7] For Glasgow, one reason we suggested was that labour market conditions provided men with little opportunity to 'shop around' for jobs in the way envisaged. Here, we explore further the way in which the men viewed and used their unemployment benefit and redundancy pay.

Table 9.2. looks at the relationship between unemployment and financial labour market measures in another way, that is by showing the average unemployment benefit and the average severance pay received by workers experiencing different lengths of unemployment between redundancy and first job or, for the continuously unemployed, time of interview.[8]

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7. For further discussion of the objectives of the Redundancy Payments Act and its limitations, see Daniel, W.W., op.cit. pp.26-30.

8. As in our regression analysis, severance pay includes ex gratia redundancy pay and other emoluments from U.C.S. as well as statutory redundancy pay.

Table 9.2 Average Unemployment Benefit and Average Severance Pay of Workers Experiencing Differing Periods of Unemployment

Unemployment (weeks)	Average Unemployment Benefit* ($\bar{x}$) (£s)	Average Severance Pay ($\bar{x}$) (£s)	Numbers
1 week	0	157.4	34
1 up to 2	6.7	152.8	45
3 up to 4	9.5	164.3	40
5 up to 8	11.5	140.7	54
9 up to 16	12.9	186.5	43
17 up to 26	12.9	135.9	31
27 and over	12.5	212.4	53
All Labour Market Participants	9.7	169.2	300

*Note: Workers with less than a week of transitional unemployment were assumed not to be eligible for unemployment benefit.

The data in Table 9.2, although more aggregative, in general corresponds with the results of our regression analysis. Severance pay does not appear to increase systematically with unemployment. There does, however, appear to be a suggestion of such a relationship between unemployment and unemployment benefit particularly for people with under 5 weeks of unemployment. Our regression analysis suggested the relationship was significant but we attached a number of qualifications to this which are worth repeating here. First, there is a 12 day waiting period before redundant men become eligible for earnings related supplement and second, workers leaving with money in lieu of notice would not have been entitled to benefit in the initial weeks of unemployment. Both these factors would have confused the 'true' relationship until all the sample had become eligible. Consequently we would again attach a question mark to any suggestion that their 'financial protection' had anything but a marginal effect on the redundant workers' time 'on the market'.

Nevertheless, their financial 'fall back positions' might still have allowed some men to turn down unsatisfactory jobs and consequently we asked those unemployed for over a week and so probably eligible for unemployment benefit, 'When looking for jobs after leaving U.C.S. how did the money offered by these jobs compare with what you were receiving in state benefits?' A card with a number of options was then shown to the respondents and the

following pattern of responses emerged:-

Table 9.3 How the Money Offered by Jobs Encountered After Leaving U.C.S. Compared with State Benefit (%)

Money Offered By Job	%
Much More	23
More	28
About the Same	13
Less	12
Much Less	5
No Offers	10
No Benefit	10
Numbers N.K.	7
Total Numbers*	266

*Note. Those 34 workers who were re-employed within a week did not answer this question.

Table 9.3 indicates that a substantial minority of workers came across jobs paying less than (17%) or about the same as (13%) they were receiving in unemployment benefit. Workers receiving 'no benefit' were again those who, contrary to our expectations, were ineligible through receipt of money in lieu of notice. The 'no offers' category seems self-evident but is worth commenting on. They are the workers who explicitly claimed they could make no comparison because they had received no job offers against which to compare unemployment benefit. At the same time, this does not mean that those workers who did know the going rate for other jobs had actually received offers of these jobs![9] This helps to explain the responses to our follow-up question which was:

'Did you turn down any jobs because there wasn't much difference?'

To this an overwhelming majority (85%) said they had not while 15% said that they had. In view of the numbers encountering low paying jobs this proportion might seem surprisingly small. In fact, it is very close to the proportion (13%) saying that the jobs they came across paid 'about

9. In chapter 4 we saw that only 44 workers had, in fact, received job offers which they turned down.

the same' as unemployment benefit which suggests that the way this question was put may have led some workers to answer 'no' if the jobs they came across offered less or much less than unemployment benefit! Another possible explanation for the small numbers turning jobs down is that they may not have been offered them, mentioned already, or may have decided not to pursue them to that point. We also saw in chapter 7 that some jobs were turned down for other than wage reasons such as distance from home and, here, earnings related unemployment benefit would reinforce a worker's disinclination to move. All this, however, is frankly speculative and there is little evidence overall for contending that unemployment benefit was responsible for any substantial discretionary element in unemployment.

We saw in table 9.2 that the average total severance payment was £169. Below we show the distribution which produced that average.

Table 9.4 The Distribution of the Total Severance Pay Received by the U.C.S. Workers who Remained Active in the Labour Market (%)

Amount of Severance Pay (£s)							
er 50	51-100	101-200	201-300	301-400	401 and over	Numbers N.K.	Numbers
7	25	52	8	5	3	17	300

Most of the workers received between one and two hundred pounds in total, which is not a high figure, due in large part to the company's decision to concentrate the cut back on short-service workers so reducing its financial obligations.[10] Although the severance pay received by the U.C.S. workers was, on the whole, relatively modest we can nevertheless usefully compare its effects on the recipients' behaviour with the effects reported by Parker et al., op. cit. First, Table 9.5 shows how single and married U.C.S. workers used their redundancy pay in comparison with the workers covered by the national redundancy survey.

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10. In comparison, Parker et al., op. cit., p.84, found the average total severance payment for their sample of compensated redundant workers was £380.

Table 9.5 Uses of Redundancy Pay, Single and Married U.C.S. Workers and Workers Covered By a National Redundancy Survey (%)

	U.C.S. Workers			Workers Covered By a National Survey
	Single	Married	Both	
Living Expenses	59	78	74	29
Durable Goods (T.V. etc.)	13	10	10	18
House Improvements	4	19	17	
Travelling Expenses	9	3	4	
House Purchase	2	2	2	5
Holiday	16	15	15	8
Setting up Business	-	<1	<1	3
Paying Debts	4	16	14	7
Put into Savings	25	12	15	52
Entertainments, gifts	-	-	-	5
Vehicle accessories	-	-	-	6
Clothes	-	-	-	8
Other	9	4	5	3
Total	141	160	157	144
Numbers	56*	242*	300*	1860

*Note: The 300 active participants included one widower and one worker who refused information on his marital status.

Source: U.C.S. Survey and Parker et al., op. cit., Table 3.15.

Obviously a worker could use his redundancy pay in more than one way which is why the total percentages add to more than 100.[11] Therefore the pattern of responses cannot indicate the proportion of redundancy pay spent in each way but it does give some idea of the importance of each type of use to the different groups. For example, the married men among the U.C.S. workers were understandably under more pressure of family commitments than the single workers. As a result, considerably more of them used their severance pay on paying debts and on general living expenses while less of them retained any in savings, which effectively meant having some left when interviewed. In comparison with both married

11. Of our 300 active labour market participants, 9 (3%) provided no information on how they used their redundancy pay, 163 (54%) used it only one way, 90 (30%) in two ways, 31 (10%) in three ways and 7 (2%) in four ways.

and single U.C.S. workers, the national sample appeared to have had less need to use their redundancy pay to support their day to day living. Less than a third used some of their redundancy pay on living expenses while 52% claimed to have put it into savings. Parker et al. provided no information on whether the money 'put into savings' remained as savings but, in view of the magnitude, it seems highly unlikely. As a verification, our survey checked by asking respondents how much of their severance pay they had left at interview and to this 84% replied they had none. Despite this reservation about direct comparability with the national sample, the 'first responses' of both groups to the question certainly suggest that there were more immediate pressures on the redundancy pay of the U.C.S. workers.

In their review of the effects of the Redundancy Payments Act, Parker et al. observed,'it is necessary to emphasise the different aims of redundancy payments and earnings related unemployment benefit.'[12] They then went on to point out that the Act hoped to reduce opposition to structural change by providing protection from its economic consequences which need not include unemployment but could involve, for example, reduced income as a result of changing employers and possibly losing seniority, pension rights etc. At the same time, drawing a distinction between the use of redundancy pay and unemployment benefit can be a spurious and misleading one which Parker et al. recognised when they conceded that 'the most that could be hoped for is that these payments would enhance the efficiency of his (the redundant worker's) search for alternative employment.'[13] In other words, once made redundant, a redundant worker's severance pay could and often would serve similar purposes to unemployment benefit, such as enabling workers to maintain reasonable standards of living in the interests of

12. Parker et al., op. cit., p.4
13. Parker et al., op. cit., p.11

efficient job search. From table 9.5 we can see that outlay on normal living expenses was much more important for the U.C.S. workers than those interviewed in the national survey. Apart from this, there is little evidence of redundancy pay being used in labour market activity.

The real labour market effectiveness of either statutory or ex gratia redundancy payments has, of course, come into question elsewhere. An American Department of Labor analysis of company based severance payments also observed that,

> 'Payments were used mainly to pay off past debts and make instalment payments: to meet current living expenses and, if anything was left, for savings. Expenditures for training or other means of increasing their job skills and opportunities for re-employment were insignificant.'

Further criticisms of the American schemes concerned the need for longer notice of separation and for workers to receive some advice on how to use their severance pay,

> 'Apparently, without effective counselling and other forms of job assistance, they did not know how to convert their assets into effective job mobility.' [14]

Such criticisms, equally true of the U.C.S. programme, have also been directed in a more general way at the impact of the Redundancy Payments Act in this country.[15] Daniel, for example, echoing some of the American reservations, also voices some of the disquiet that we have expressed,

> 'As an instrument of national policy the real question mark against the Act is whether it offers adequate or equitable compensation for displaced workers, or is a substitute for more direct provisions for manpower redeployment'[16]

Other evidence besides our own, therefore, puts a serious question mark against the labour market relevance of redundancy pay for redundancies managed like those at U.C.S. Additional questions, however, allowed us to assess

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14. 'The Operation of Severance Pay Plans and their Implications for Labour Mobility', Bureau of Labor Statistics, Bulletin No. 1462, Washington, 1966, pp 2-3.
15. Besides Daniel, op.cit., see Fryer, R.H. 'The Myths of the Redundancy Payments Act', Industrial Law Journal No.1, 1973. and Mukherjee, S., op.cit., pp.19-27.
16. Daniel, W.W., op.cit., p.29.

whether the men themselves felt it affected their job search behaviour.

First our respondents were asked,

> 'Do you think that the money you received when you left U.C.S. changed the way you set about looking for a new job after you left U.C.S.?'

We were prepared to code up to two comments from each respondent but very few, in fact, made more than one. In table 9.6 we show the pattern of response for those receiving £200 or less, those receiving over £200 and those who refused to say exactly how much they had received on leaving U.C.S.

Table 9.6 If Severance Money Changed How Recipient Set About Looking for Work by Amount Received (%)

How Affected Job Search	Amount Received: £200 and less	Over £200	No Information
1. No information	1.5	1.9	4.8
2. No difference	45.6	41.2	52.9
3. Not enough to cause change	14.8	5.9	9.5
4. No - Saved the money	0.7	1.9	-
5. No - Already had job to go to	11.5	13.7	4.8
6. No - Spent on other items	3.7	1.9	-
7. Yes - Made me more choosey	6.3	17.7	14.3
8. Yes - Helped me maintain my standard of living	4.1	1.9	-
9. Yes - Took a holiday	8.2	11.8	4.8
10. Other	3.7	1.9	9.5
Total Number of Responses	270	51	21

For all three groups the single most frequent comment was that severance pay made no difference to the way they looked for jobs. Otherwise, two sets of more detailed reasons were given, one indicating why severance pay did have an effect on job search, the other why it did not. If comments two to six are considered 'negative' and seven to nine 'positive', there were some differences depending on the amount of severance pay received. For example, 76.3% of those receiving £200 or less claimed that severance pay had no impact for one reason or another against 64.6% of the men receiving over £200. And, conversely, 31.4% of the latter said it did

cause some change compared with 18.6% of the former.

Altogether, however, a majority of all three groups felt that redundancy pay had no positive effect on job search behaviour. At the same time, it may not have been entirely irrelevant as a labour market measure. Although most did not consciously see it affecting their behaviour, table 9.5 showed that it was commonly used to support the workers' normal living standards and such expenditure we suggested was certainly compatible with the spirit if not the letter of the Redundancy Payments Act. Of course, as its other critics also point out, before redundancy pay can become really effective as a labour market measure it requires additional support and, more importantly, the existence of a greater number of alternative employment opportunities. Daniel, for example, concludes,

> 'It goes without saying that the infrastructure of provisions for displaced employees must be a buoyant national economy to provide alternative jobs and the attraction of fresh industry to generate new jobs in areas with few alternative job opportunities'.[17]

In the light of the foregoing, our final question on redundancy pay provides an interesting indication of its perceived value in the prevailing circumstances,

> 'Looking back at your experiences since leaving U.C.S. would you have preferred to have been paid off at U.C.S. and received the money you did or to have stayed at U.C.S. and not received the money?'

It was clear that, irrespective of how much redundancy pay they received, the U.C.S. workers would, in retrospect, have preferred to stay at U.C.S.

Table 9.7 Whether Would Have Preferred to Stay at U.C.S. or Been Made Redundant and Received Their Redundancy Pay (%)

Amounts of Redundancy Pay	Been Made Redundant	Stayed At U.C.S.	Numbers
£200 or less	33	67	234
Over £200	37	63	46
Refused information	29	71	17
No information	-	-	3
	33	67	300

17. op.cit., P.54.

Table 9.7 shows how the respondents assessed their redundancy pay in the context of their employment experience since redundancy and the $\frac{2}{3}$ majority who would have preferred to have avoided redundancy provides another illustration of the difficulties the men experienced. This is further underlined by the fact that even more (86%) of the continuously unemployed would have elected to stay at U.C.S. than of those who did manage to get back into work (63%).

An additional insight into the problems caused by redundancy is the fact that nine (82%) of the eleven workers who returned to the same job at U.C.S. would have preferred not to have been made redundant compensated or not. Assuming, not unreasonably, that their terms and conditions of employment before and after redundancy were about the same, the consequences of redundancy for them clearly outweighed their financial compensation.

4. Conclusions

This chapter considered those aspects of manpower policy concerned with retraining, geographical mobility and the financial support provided to redundant men. We suggested that, in bad labour market conditions financial manpower policy might more appropriately be seen as some form of social security benefit rather than as a labour market measure and, therefore, manpower policy was bound to lose much of its relevance on Clydeside during the redundancies.

The effectiveness of manpower policies is also dependent on people's preparedness to use them and, here, retraining after redundancy was not seriously entertained by the U.C.S. workers. Only 12 of the 300 labour market participants had applied to a G.T.C. and none had transformed his skills in this way, the higher skilled workers mainly because they already had a skill and the lower skilled workers because of their age or because retraining was not much help in finding other jobs. This exposes the

problems involved in trying to promote occupational flexibility particularly where considerable importance is attached to the possession of craft skills whether or not they are being overtaken by progress. This inertia is reinforced if the G.T.C.'s regulations put obstacles in the way of people who already have a trade. Above all, however, if people are to extend their occupational horizons, they must be encouraged to do so by the availability of jobs requiring different skills. G.T.C.'s aside, only sixteen men retrained in other ways, mainly 'on the job' and consequently very little skill transformation occurred after redundancy.

Since redundancy, 37 workers had changed residence to take up another job, 26 of them outwith Scotland, mostly in England. This amounted to 6.5% of all the jobs recorded by the survey which, according to other available evidence with its limitations, suggests that the U.C.S. workers' preparedness to leave home for work reasons was still above the British norm. The emigrants, predictably, were mostly youthful and skilled.

There was little persuasive evidence here, as elsewhere in the study, that unemployment benefit and particularly severance pay were responsible for adding any substantial discretionary element to the unemployment suffered after redundancy. We recognised, however, that unemployment benefit may have reinforced a disinclination to take a job for other reasons but this was speculative and, in any case, not contrary to the way in which such payments were intended to be used.

Most of the workers (84%) received £200 or less in total severance pay which was small in comparison with the amounts received by workers covered by Parker's national redundancy survey. Besides being modest, it was used in a narrow range of ways. Only 16% used it in more than two ways and the most frequently recurring use to which it was put was on day to day living expenses. While attaching a question mark to the evidence reported by the national survey, fewer U.C.S. workers claimed to have put it into savings and, indeed, at time of interview 84% had none of it left.

Similarly, in comparison with the national survey, the U.C.S. workers as a whole were more likely to use their redundancy pay on day to day living, the married workers more so than the single.

Most of the workers, especially the majority who received £200 or less, said that redundancy pay had not changed the way they usually looked for jobs. It was, however, largely used to support their usual standard of living and therefore may have had some labour market impact though they may not have been aware of it. For redundancy pay to have any substantial effect in the labour market, however, our evidence like that elsewhere underlines the need for supporting measures and, unquestionably, alternative job opportunities. Finally, two-thirds of the workers did not believe that their redundancy pay was adequate compensation for the problems they faced afterwards. This view was, understandably, even more marked among the continuously unemployed. For most of the U.C.S. workers the compensation they received on redundancy was an inferior alternative to remaining in employment at U.C.S. and, whatever else it may have been, it did not turn out to be a 'windfall' bonus.

1. Introduction

This chapter takes a closer look at the costs imposed by redundancy on the U.C.S. workers. We begin, in section 2, by considering the employment status of the workers when interviewed, one of the most remarkable features of the survey, which must be taken into account when interpreting the data presented elsewhere. This leads into an assessment of how much unemployment was experienced in total by time of interview either after leaving U.C.S. or subsequent jobs. Besides unemployment we take another brief look at employment including the number of jobs held after redundancy and the stability of jobs found in different industries. The financial difficulties of the workers are dealt with in section 3. Without denying the need for a quantitative analysis of such difficulties, on its own this can fail to convey a full impression of the impact of redundancy. For policy makers in particular, some indication of the repercussions in human terms can be a vital element in the development of measures for dealing with similar situations. Although our analysis is primarily an economic one, we felt that it could only be improved by providing an illustration of the redundant workers' own views of their experience in retrospect. These are included under a number of different headings in an attached appendix. Conclusions are drawn in Section 4.

2. Employment and Unemployment When Interviewed.

(i) Employment Status at Time of Interview.

Even allowing for the deterioration in the Clydeside economy during the U.C.S. run-down, it was surprising that as many as 92 (31%) of our 300 active labour market participants were unemployed when interviewed. This compares for example with under 1 per cent of Kahn's car workers and 5 per cent of Wedderburn's railwaymen.[1] These differences speak for themselves especially since the U.C.S. workers were by far the most skilled. While the interviews in each case occurred at different points in time after redundancy, there was no doubt that all allowed ample time for the workers to 'find their feet', or otherwise, in the labour market.[2] Of the remaining U.C.S. workers 206 (69%) were in employment, one retired and one sick.

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(1) Kahn, H.R. op.cit., p.141 and Wedderburn, D., op.cit., p.76.

(2) For the U.C.S. workers who remained active in the labour market, the average period at risk - time between redundancy and interview - was 13 months.

Even if we leave aside the continuously unemployed who were older and less skilled, over 1/5 of the 264 men previously in jobs were out of work when interviewed and it was clear that young workers were no less vulnerable than older workers and tradesmen, if anything, more vulnerable than less skilled workers. For example, 24 per cent of men under 30 were out of work compared with 22 per cent of those under 40, 18 per cent of both those under 50 and under 60, and 15 per cent of men aged 60 or over. Similarly, 23 per cent of the craftsmen were unemployed, 19 per cent of the unskilled, 17 per cent of the semi-skilled and only one of the 12 staff workers who were, therefore, something of an exception.

Although the total out of work may have been surprising, its composition was not. Whereas one might expect hiring standards to discriminate via age and skill, hence the difficulties of the continuously unemployed, 'firing' standards frequently operate on a different basis, for example on the principle of last in first out.(3) The redundant U.C.S. workers would, in such circumstances, be highly vulnerable and although younger and more skilled workers were more likely to have found jobs after U.C.S., in a continuing recession their age and skill could not and did not protect them from further redundancies.

(ii) Total Unemployment Experienced By Interview.

Employment status at interview although indicative is a point in time observation and it is the extent of the unemployment suffered after redundancy which conveys a fuller impression of its impact on the men. What has to be taken into account here is the number of periods of unemployment experienced, when they were experienced and how long they lasted. Unemployment could occur immediately after redundancy from U.C.S., i.e. 'transitional' unemployment, and/or after subsequent jobs. Two further questions asked,

> 'How many periods of unemployment, if any, have you had since leaving U.C.S.?'

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(3) Hunter, L.C. and Reid, G.L., op.cit., p.130.

and

'In total, how many weeks of unemployment would this add up to?'

In addition to 'transitional' unemployment, therefore, we could make some quantitative assessment of 'total' unemployment and what proportion of the period at risk this amounted to.

Only eighteen (6%) of the 300 active labour market participants had suffered no unemployment at all since redundancy from U.C.S. A majority (57%) had experienced one period of unemployment usually after leaving U.C.S. while a sizeable minority (28%) had incurred the costs of two periods of unemployment. The remainder (9%) had been thrown out of work more than twice with the maximum, reported by two respondents, standing at five. The duration of this unemployment and its share of the period at risk were considerable.

Table 10.1. Average ($\bar{x}$) Transitional and Total Unemployment (Weeks) by Age and Total Unemployment As a Percentage of Period at Risk

Age	Average ($\bar{x}$) Transitional Unemployment (weeks)	Average ($\bar{x}$) Total Unemployment (weeks)	Total Unemployment As a Percentage of Period at Risk	Numbers
Under 30	7.8	14.7	28.1	101
30 - 39	10.8	15.5	31.0	71
40 - 49	14.5	19.6	40.8	63
50 - 59	19.3	25.4	51.8	40
60 +	25.1	28.3	56.4	24
Numbers N.K.	1	1	1	1
Total	12.8	18.5	36.9	300

Table 10.1 adds to our earlier regression analysis which suggested that unemployment following redundancy was influenced more by age than skill. Here, we see that the likelihood of suffering longer total as well as transitional

unemployment increased with age. Although the former is an aggregate which includes the transitional component, the relationship is nonetheless valid for that.(4) Consequently, when we took skill into account, it was no surprise to find that it was the semi-skilled, considerably older than the other workers, who stood out from the rest. On average, they spent 53 per cent of their period at risk out of work compared with 34 per cent of the rest of the sample.

(iii) Employment Stability.

The only workers who enjoyed much stability of employment after U.C.S. were the 100 men who, when interviewed, were still in their first post-redundancy jobs which they had held for an average ($\bar{x}$) of 10 months. Otherwise, instability of employment was widespread. Of the 164 workers who left their first post-redundancy jobs, 11 were dismissed, 6 fell sick, 3 said they retired and, for one respondent, there was no information. More revealingly, 68 men (42%) suffered redundancy a second time, almost as many as the 75 voluntary quits (46%), and 10 of these were unlucky enough to be made redundant yet again from their last job before interview! Shipbuilding and construction previously seen as the biggest initial employers of men leaving U.C.S. also accounted for a majority of the second redundancies, twenty two of the sixty eight second redundancies occurring in construction and sixteen in shipbuilding. In relative terms, however, workers who left other industries were also very likely to do so through redundancy.

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(4) We might also note that, for the continuously unemployed who are included in both distributions, transitional and total unemployment are identical.

Table 10.2. Redundancies as Proportions of Numbers Leaving First Jobs

Industry	Redundancies as Proportions of Numbers Leaving First Jobs	Numbers Leaving First Jobs
Shipbuilding	50	32
Other Engineering	52	33
Other Manufacturing	53	15
Construction	36	61
Services	23	22
Numbers Not Known		1
Total	42	164

Note. Industry groups are Main Order Headings or aggregated Main Order Headings of the 1968 Standard Industrial Classification.

Although construction accounted for the largest numbers made redundant from any of the industry groups, workers finding first jobs there were proportionately less vulnerable for example than workers in manufacturing activities. But Table 10.2 indicates that all of the workers from U.C.S. were susceptible to further redundancy irrespective of where they found their first jobs. Clearly, for many of them departure from U.C.S. was a classic instance of 'out of the frying pan and into the fire' as the reasons given for leaving the last job before interview further demonstrate. Four men were dismissed, 15 left voluntarily and sixteen were again made redundant including the 10 who had also been made redundant from their first jobs.(5) All were included in the 94 out of work when interviewed along with the 36 continuously unemployed and 23 men who had been out of work since leaving their first job.

Finally, to recap briefly on employment as well as unemployment, most of our job finders had held one (123) or two (93) jobs since leaving

(5) Altogether, 84 jobs were lost through redundancy out of the 264 first or 141 later jobs held by the sample between leaving U.C.S. and being interviewed, on average, 13 months later. This amounts to 21% out of a total of 405 jobs and compares with an equivalent figure of 10% for electrical engineering workers made redundant by G.E.C. in Woolwich during 1968 and interviewed by Daniel on average two years later. See Daniel, W.W., 'Whatever Happened to the Workers in Woolwich', P.E.P., 1972, p.50.

U.C.S., thirty three had held three and the remaining fifteen more than three. For men under 30 the maximum number of jobs held was eight and this fell progressively to two for men over 60 which, along with our other evidence, illustrates that it was younger men who were better able to find jobs, if not to keep them, in the bleak economic conditions prevailing on Clydeside at the time.

3. Financial Difficulties

Given the amount of time so many men were without work, we would not have been surprised if they had run into considerable financial difficulties. Here, we investigate this by identifying the costs incurred through redundancy and by evaluating to what extent these did, in fact, result in financial difficulties.

Just as the unemployment suffered after redundancy can be broken down into components so can the costs of redundancy. Many important costs, however, like the impact on self esteem and the disruption in established life styles, including work-place relationships, cannot be readily quantified. Fryer, for example, points out,

' . . . the financial compensation for redundancy . . . does not provide the dispossessed worker with the wherewithal to "purchase" (job) property comparable to that which he has lost in terms not only of income but also of job interest, authority, seniority, familiarity, utilisation of skills and so on " (6)

There may, on the other hand, also be compensating benefits if some men, for example, end up in better paid, more satisfying jobs. Either way, however, we are unable to pursue this in any more detail than previously. We can, however, make a reasonable if still imperfect assessment of the net monetary costs privately incurred by our respondents. Such costs can basically be quantified as the difference between the men's income after

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(6) Fryer, R.H., op.cit

redundancy and what it would have been had they remained in employment with U.C.S.

Total cost can be divided into 'unemployment' cost and 'wage difference effect'. The former is the product of time spent unemployed and the difference between take-home pay at U.C.S. and the amount of unemployment benefit received. The latter can obviously be calculated only for men who found other jobs and consists of the time spent in a job times the difference in take home pay when compared with U.C.S. For men who held two jobs after U.C.S. the wage difference effect has to be calculated both for the first and present or last jobs held since leaving U.C.S. In the case of those 48 workers with more than two jobs after U.C.S. we had no information on service or pay between first and present or last job and so were obliged to make some estimate. This was taken as the mean of their take home pay in first and present or last job times the period at risk less any time attributable to either unemployment or service in the reported jobs. The total cost of redundancy is consequently given by the identify:-

$TCR = UECR + WDE_1 + WDE_2 + WDE_3$ where:-

TCR = Total cost of redundancy

UECR = Unemployment Cost of Redundancy = Total Unemployment x (Unemployment Benefit - Take-home Pay at U.C.S.)

WDE_1 = Wage Difference Effect of Redundancy at First Job = Service in First Job x (Take-home Pay in First Job - Take-home Pay at U.C.S.)

WDE_2 = Wage Difference Effect of Redundancy at Present or Last Job = Service in Present or Last Job x (Take-home Pay in Present or Last - Take-home Pay at U.C.S.)

WDE_3 = Estimated Wage Difference Effect of Redundancy Between First and Present or Last Jobs =

$$\left[\frac{\text{Wage in 1st} + \text{Wage in P/L}}{2} - \text{Take-home Pay at UCS}\right] \times$$

[Period at Risk - (Total unemployment since redundancy + service in 1st + service in present or last job)]

The actual costs incurred by each of our respondents may, for different reasons, vary from our aggregate estimate. For example;

(a) The unemployment benefit used in the equation is the maximum received by our respondents. For the long term unemployed, this would drop substantially as earnings related supplement became exhausted.

(b) Some men were paid money in lieu of notice. Although ineligible for benefit if unemployed during those weeks, their income for that period should probably be considered the same as at U.C.S.(7)

(c) Ideally, both our unemployment costs and wage difference effects should also have been relative to wage at U.C.S. had the men remained in employment there, that is, making allowance for trend effects.

Our wage comparisons in chapter 6, which might be described as an exercise in 'comparative statics', tried to take trend effects into account by use of published earnings data for different points in time. Here, the problem is one of 'dynamics' and consequently more complex. It involves making some estimate of the trend in earnings at U.C.S. after the redundancies and its notional impact on the unemployment costs and wage difference effects experienced by each of the 300 men during the period at risk. The computational difficulties posed by such complex variation in both time and quantity variables amongst our 300 respondents suggested a different approach.(8) First, we based our calculations on pay at U.C.S. at time of redundancy. By assuming, however, that pay foregone is throughout equal only to that received at time of redundancy we clearly reduce both unemployment cost and wage difference effect below their probable level and so underestimate the true impact of redundancy.

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(7) Receipt of money in lieu of notice was information volunteered by some men but not systematically asked for in our questionnaire. Consequently no uniform allowance could be made for it.

(8) The variegated experience of our 300 workers prohibited the construction of a single 'model' appropriate for them all although individual 'models' could be readily specified.

Consequently we repeated our calculations making alternative assumptions about our respondents' pay at U.C.S. Most of our respondents had been made redundant in 1970 and the average time between redundancy and interview for the active labour market participants was 13 months. In table A.3. in the appendix to chapter 6 we saw that if our respondents had been earning according to the Scottish average their take-home pay between 1970 and 1971 would have risen by 8.3% from £22.37 per week to £24.23. We assumed that their take-home pay at U.C.S. would have risen at a similar rate and adjusted their reported take-home pay at U.C.S. accordingly. The true impact of redundancy will lie between our two alternative sets of calculations.

Table 10.3 presents the average unemployment cost, total wage difference effect and total cost incurred by the 300 labour market participants, (1) assuming pay at U.C.S. was as reported (2) pay at U.C.S. adjusted as above. It similarly shows the total cost experienced by the 36 continuously unemployed workers and, when these are excluded, the various costs experienced on average by the 264 men who found other jobs after U.C.S.

Table 10.3 Average[1] Total Cost of Redundancy For the Continuously Unemployed and Average[1] Unemployment Cost, Wage Difference Effect and Total Cost of Redundancy for All 300 Labour Market Participants and 264 Successful Job Finders: (1) Pay at U.C.S. as Reported (2) Pay at U.C.S. Adjusted For Trend as Specified[2]

	Unemployment Cost (£s)		Total Wage Difference Effect (£s)		Total Cost (£s)	
	(1)	(2)	(1)	(2)	(1)	(2)
36 Continuously Unemployed	-449.3	-532.9	-	-	-449.3	-532.9
300 Active Labour Market Participants	-219.2	-256.2	7.2	-69.7	-207.9	-320.2
264 Successful Job Finders	-186.6	-216.9	8.3	-80.2	-172.0	-288.5

Note. 1. The average used is the arithmetic mean.

2. Another intermediate estimation of trend effects was calculated by assuming that pay at U.C.S. had risen by 4.15%, half of the calculated rise over 1970-71, and the values which emerged for all 300 workers were; unemployment cost - 237.7; total wage difference effect - 31.3 and total cost .

Not surprisingly, it was the continuously unemployed who experienced, on average, the highest costs from redundancy. They obviously raised the average total cost for all 300 active labour market participants. When excluded, however, it is evident yet again that, on balance, the U.C.S. workers suffered rather than gained through redundancy.

Looking, however, at the total wage difference effect based on reported take-home pay at U.C.S., there is some suggestion that the successful job finders experienced a small gain (£0.3) on their position at U.C.S. This is certainly misleading. Although the average wage difference effect is positive, the distribution producing it showed that almost 2/3 (62%) experienced a negative wage difference effect which was, however, just outweighed by 38% whose stream of earnings improved after leaving U.C.S. Moreover, when as in chapter 6 we take into account the rise in the general wage level and the difference in the hours worked after redundancy, the superficial gain suggested above takes on a new complexion.

Some impression of this is given by our accompanying adjusted calculations in Table 10.3. From these we see that the wage difference effect for the successful job finders moves into deficit and the other costs incurred by the different groups become substantially larger. Another point worth noting is that, even without adjusting our calculations for trend effects, virtually twice as many (21%) of those experiencing wage difference gains were out of work when interviewed in comparison with those (11%) experiencing wage difference losses. And this vulnerability rose to almost 36% for those who made gains of £250 or more. We might therefore add a further question mark to the moderating effect on the costs of redundancy apparently resulting from those experiencing favourable wage changes. Given the continuing deterioration in the local economy one could justifiably predict a further worsening of their situation in the period following interview.

To what extent then did the changes in the men's circumstances cause what they considered to be financial difficulties? One of the final questions asked was,

'All in all, because of the redundancy at U.C.S. would you say you have had - no financial difficulties, some financial difficulties, quite serious financial difficulties, very serious financial difficulties?'

Table 10.4 first of all shows the degree of financial difficulty encountered by workers experiencing differing durations of transitional unemployment.

Table 10.4 Degree of Financial Difficulty by Post-Redundancy Unemployment (%)

Transitional Unemployment (wks)	Financial Difficulty: None	Some	Quite serious or very serious	Nos. N.K.	Numbers
< 1 wk.	71	27	3	-	34
1 - 2	51	29	20	-	45
3 - 4	58	28	15	-	40
5 - 8	38	49	13	1	54
9 - 16	33	51	16	-	43
17 - 26	26	48	26	-	31
27 and over	15	49	36	-	53
All	40	41	19	1	300

While it is clear that workers with the longest transitional unemployment suffered the greatest financial difficulties such problems could also be due either to later periods of unemployment or to low income while in employment. Hence we find that 30% of workers with transitional unemployment of under a week still claimed to have suffered some financial difficulties. It is also interesting to note that, at the other end of the scale, 15% of the officially long term unemployed reported no financial difficulties as did a quarter of those unemployed for 17 to 26 weeks. We might assume that these workers considered they were adequately protected by their severance payments and state benefits or possibly previous savings.[9] It may be considered reassuring that the

9. The survey asked for each respondent's financial commitments at time of redundancy in additional to post redundancy employment experience since these may have had some bearing on any financial difficulties. We have not used the responses since they seemed to indicate considerable differences in interpretation by the sample.

workers' financial compensation probably had such a moderating effect. The fact remains, however, that a far larger majority of workers in this category did encounter financial problems.

Table 10.5 allows us to explore further some of the points raised above. It shows for the groups of workers experiencing varying degrees of financial difficulty, the average transitional and total unemployment encountered after leaving U.C.S. and the average redundancy pay and unemployment benefit received.[1]

Table 10.5. Average ($\bar{x}$) Transitional Unemployment, Average ($\bar{x}$) Total Unemployment, Average ($\bar{x}$) Redundancy Pay and Average ($\bar{x}$) Unemployment Benefit of Workers Encountering Different Financial Difficulties

Degree of Financial Difficulty	Average Transitional Unemployment (wks)	Average Total Unemployment (wks)	Average Redundancy Pay (£s)	Average Unemployment Benefit (£s)	Numbers
None	7.3	10.4	210.7	7.2	120
Some	15.3	20.9	143.1	11.2	122
Quite Serious	19.4	29.8	147.4	11.4	41
Very Serious	19.7	32.3	111.6	11.6	16
Nos. N.K.	1	1	1	1	1
All	12.8	18.5	169.2	9.7	300

Table 10.5 confirms that serious financial difficulties were related to the duration of transitional unemployment. It also demonstrates that unemployment subsequent to post-redundancy jobs could also cause problems. The gap between average transitional and average total unemployment widens with increasing financial difficulty. Since the continuously unemployed are included in both averages, the widening can only be due to later unemployment suffered by those who found jobs after U.C.S. These later periods of unemployment would not, of course, have been eligible for compensation under the Redundancy Payments Act.

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10. Since the average unemployment benefit computed is based on the maximum benefit each worker reported receiving it is, if anything, likely to tend towards an overstatement of the average benefit they received over time.

At this juncture, we might reconsider the effect of financial labour market measures, this time with relation to the costs of redundancy. In the preceding chapter we concluded they had relatively little evident impact on activity in the labour market although they may still have provided an important and worthwhile 'cushion' in the aftermath of redundancy. The preceding discussion in this chapter allows us to pursue this. Although the active sample, on average, spent over a third of the time between redundancy and interview out of work, table 10.4 suggests that even those experiencing the longest unemployment were, to some extent, cushioned from its most severe effects. Certainly, previous savings may have contributed to this 'protection' but, since such a surprisingly high proportion (40%) of the men reported no financial difficulties, unemployment benefit and redundancy pay must also have had a substantial beneficial effect.

At the same time, the limitations of such financial compensation are also evident in tables 10.4 and 10.5. In table 10.4 it is quite clear that financial difficulty increased with unemployment. This is not surprising especially since in table 10.5 we see that the financial protection afforded those encountering serious financial difficulties was, not very much greater than and, in the case of redundancy pay, less than men who found no such difficulties at all. In other words, the amount of compensation received by individuals had little relation to the costs imposed on them by redundancy. This is, of course, no novel observation although opinion is divided on the efficacy of measures like the Redundancy Payments Act.

Parker et al, for example, in their national survey concluded,

> ' - - the Act has broadly achieved its social objectives - - - there was a positive association between the size of payment received by the individual and the extent of the social and economic costs incurred by him as a result of being made redundant.'[11]

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11. Parker et al, op.cit., paragraph 30, p.8.

Reid and Mackay, (op.cit.) however, expressed reservations about this conclusion as does Fryer (op.cit.) who, amongst other criticisms points out,

> 'Nor is it sufficient to point to the positive association between size of redundancy payment and deprivation as measured by simple rank ordering. Such an association tells us nothing about the appropriateness or adequacy of the compensation but only about the correctness of the direction of association.'

In addition to such general reservations about the effectiveness of redundancy pay, it is worth noting that the conditions of the U.C.S. redundancy programme provided relatively less cover to vulnerable workers than usual. For example, because U.C.S. deliberately sought to shed short-service workers to limit the costs of the cut-back, the compensation received by the older workers was not substantially greater than that received by younger men.

Table 10.6 Average ($\bar{x}$) Length of Service and Average ($\bar{x}$) Take-Home Pay at U.C.S; Average Redundancy Pay By Age

Age	Average Length of Service at U.C.S. (yrs.)	Average Take-Home Pay at U.C.S.(£s)	Average (£s) Redundancy Pay	Numbers
Under 30	1.8	24.8	144.6	101
30 - 39	1.6	25.2	150.8	71
40 - 49	3.3	24.7	195.9	63
50 - 59	4.7	21.7	205.6	40
60+	7.8	24.2	201.5	24
NK	-	-	-	1
TOTAL	2.9	24.9	169.2	300

Despite the length of service constraints imposed by U.C.S. there was some tendency for average redundancy pay to increase with service though in both cases the dispersion was relatively small. Workers with over 2 years length of service, as we saw in chapter 2, were paid their entitled statutory redundancy pay in addition to the voluntary severance pay offered by U.C.S., which is reflected in table 10.6. Nevertheless, the difference between the average redundancy pay received by the most vulnerable workers, roughly men over 50, and that received by men under 30 only amounted to 2-3 weeks' average take-home pay. Yet as we saw in table 5.8, chapter 5, men in their fifties

were out of work on average about 12 weeks longer than men under 30 and men over 60 about 15 weeks longer.

This serves to underline yet again the particularly disadvantageous position of the older worker following redundancy and this was, of course, worse than usual in the case of U.C.S.[12] Such a phenomenon, however, is not attributable exclusively to the U.C.S. redundancy procedure. Many other older workers with broken service because of inadequate skills or because of cyclical swings, s pattern characteristice of shipbuilding anyway, must find themselves in a similar predicament. We have already suggested that the older worker requires greater sympathy and more imaginative treatment from both employers and the Employment Service.

The problems such men face are so widespread, however, that they are unlikely to be solved, for example, simply by a few socially conscious employers addressing them with goodwill. Moreover, the aftermath of the U.C.S. redundancies clearly illustrates that much more is required than an adjustment of compensation schemes in favour of the most seriously affected workers. Monetary compensation on its own is an inadequate substitute for the complex set of social as well as economic needs satisfied through being in productive employment. The attached appendix provides some justification for this observation.

4. Conclusions

This chapter set out to evaluate the costs which redundancy imposed on our respondents. An important point of departure was the radical deterioration in the employment status of many who had managed to find other jobs after U.C.S. Astonishingly, almost $\frac{1}{3}$ (31%) of the respondents at risk were unemployed when interviewed.

In addition to this point in time observation, many workers particularly the older but even the youngest spent much of the time between redundancy and interview unemployed. This was caused by difficulty in finding other jobs in the first place and also because in the unstable employment

conditions many suffered further lengthy spells of unemployment.

It was evident that relative youth and skill were no protection in a continuing recession which caused many workers to suffer further redundancy after leaving U.C.S. Most of these occurred in construction and shipbuilding but this was largely because they had acted as hosts to the largest numbers from U.C.S. in the first place. No industrial sector, however, provided a completely safe haven after redundancy.

Despite the cushion of unemployment benefit the workers as a whole suffered considerable monetary as well as psychological costs and these were caused more by their extensive unemployment than by wage differences. Indeed, on the basis of their take-home pay at U.C.S. when made redundant the post redundancy stream of earnings of the workers taken as a whole was marginally better than had they remained with U.C.S. at the same wage. This preliminary result, however, was excessively simplistic and misleading. Even without allowing for trend effects, the impact of redundancy on the post-redundancy earnings of a majority of the sample was disadvantageous. When we made various adjustments taking trend effects into account it was clear that the costs imposed both by unemployment and wage differences were substantially greater than those based on a straight comparison of their circumstances before and after redundancy.

In view of the amount of enemployment experienced and the possible income foregone, it was surprising to find that 40 per cent claimed to have experienced no financial difficulties. These, however, were mainly those who suffered least unemployment and, without under valuing the worthwhile cushioning effect of both unemployment benefit and severence pay, it was evident here as elsewhere that such compensation bore little relation to the costs experienced by different individuals.

Although this problem was exaggerated by the conditions attached to the U.C.S. redundancy programme it is by no means specific to such circumstances. The vulnerability of particularly the older worker in time of recession has long been recogised and any substantial improvement can only be brought about by the application of a comprehensive policy on a broad front. In view of the

prevailing norms in society such as the continuing importance attached to holding a job, it is clear that even more substantial compensation than that received by our respondents is a poor substitute for employment. All of this suggests that the coining of the slogan 'the right to work' was an understandable and predictable reaction to the prevailing circumstances.[13]

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13. When the survey was taking place virtually one in ten of the male labour force in the Glasgow area was out of work and over a third of these were long term unemployed. Both of these percentages continued to rise through the rest of the year.

Appendix

The Redundant Workers' Own Views of Their Experiences.

Our concluding question, general and open, asked

'Is there anything else you would like to tell me about how you left U.C.S. and your experiences since?'

Here, we present a cross-section of the views expressed which were various but can be covered under the broad headings of family relationships, unemployment, financial and psychological effects.

(a) Family Relationships

A continuously unemployed fitter in his 40's commented,

'My wife and I are always having rows, letters from factor about rent, gas bills; had to cut back on food; can't get going with your mates for a pint or to the match. Life can be pretty miserable at times!'

And a 36 year old electrician with 4 children aged 5 to 14 took 26 weeks to find another job and had 34 weeks unemployment altogether.

'It's been an awful year. I never really imagined it would be like this. I honestly thought I would get a job quite quickly. I am still a bit shaken by it all. It's depressing and its not fair on the wife and kids. They all have to have so much less. Unemployment is hell.

While a 43 year old fitter with 6 children under 15 said

'It has shattered my plans. I will have to ask the social security to get shoes for my children - something I'm not looking forward to. My oldest girl is hoping to stay on at school. I've now got a bicycle to take me about looking for jobs because the fares are so high'.

Another less dramatic point concerning role reversal was put by a 27 year old fitter's mate.

'It's put me back a bit financially. My wife has now taken a job to help and I have to look after the baby'.

(b) Unemployment

It was hardly surprising to find that the biggest concentration of comments centred around how the men viewed the experience of unemployment

itself. Many found it a novel experience which they didn't relish. Others compared it with the inter-war period. Yet others referred to it against the backdrop of the 'liquidation crisis' which had just broken and anticipated that things could only get worse.

A 45 year old fitter's mate redundant in 1969 observed,

> 'It's a good thing that I left U.C.S. Now it would be harder to get a job'. A similar comment by a 32 year old fitter was, 'I'm glad to be out with this possible fold up of the yards. It was no fun being unemployed. I'm glad to be fixed up in a good job before the market becomes flooded with men'. And another marine engineer not yet fixed up in a job hoped to be in a similar position, 'In a way I'm sorry I left but in another way I feel I'll maybe get another job steady before another lot of men come on to the market. I'm just keeping my fingers crossed like mad'.

The exceptional difficulty in finding other work was remarked on by very young as well as older men. A 21 year old coppersmith remarked,

> 'I've found out it's not so easy to get a job even if you are young. At the moment, I'm without a job and I don't know what's coming next'.

Older workers were, of course, even more despondent. A 57 year old fitter, continuously unemployed since redundancy put it,

> '....great difficulty in trying to get a job. Age, I would say, was the biggest thing against me. When you hear of anyone getting started it is always someone much younger than yourself.'

While a 59 year old engineer in a similar predicament protested,

> 'Not being able to get work is getting me down. Skilled persons, like myself should be able to get work - can't even get a job as night watchman.'

The complexity of the dilemma was underlined by a 48 year old painter, continuously unemployed for 7 months,

> 'If I don't get a job next interview I'll need to think seriously of moving somewhere else for work - but where? <u>That</u> is the big question!'

Younger workers without previous experience of longer term unemployment were perplexed and astonished.

'I thought there would be plenty of jobs going but there's just nothing. It's impossible'.

A 22 year old engineer elaborated,

'I learned what it's like not to have a job. You understand better about unemployment when you've had the experience yourself. I volunteered to become redundant mainly because of the atmosphere. Nothing was actually said to me but the feeling of the men, that you were last in and so should be the one to go.'

Another 34 year old electrician explained,

'....was never out of work till last year and never realised it would be so bad - never away from the labour exchange. They keep asking if you haven't got a job yet and places you go to for a job won't give you one as soon as they know you have a trade. They say if your own trade picks up we will leave. It's a shattering experience as I now have 3 children to feed - affects everything. People look at you as if you don't want to work - makes you feel unsettled but wouldn't want to move - have too many ties. Tried to be a 'bus driver but they wouldn't consider me when they knew I had a trade'.

In view of the problems encountered by the younger men, it was hardly surprising to find the older men drawing parallels with the inter-war period such as

'I think it's awful. We are going right back to the thirties - with queues at the labour exchange'

or

'This is the longest I've been idle - even longer than during the depression years'.

(c) Financial and Psychological Costs

The material effects of redundancy ranged from very direct inroads into a family's well-being,

'shoe repairs etc. are hard to keep going'

or

'It is very difficult to clothe the children'

to an almost total erosion of the little indulgences which add a degree of spice to an unpretentious life style. A 58 year old joiner commented,

'can't afford any holidays now - not many pints with the lads. I can't see any chance of me getting a better job at my age - just having to make do'.

Younger men, like a 27 year old labourer with 3 children were also affected,

'It means now we can't do anything - if it's a nice weekend, just go out for walks. There's no money for extras'.

The general air of desolation was captured at some length by a 60 year old plumber's helper.

'Life's very dull - no jobs, or nothing, can't afford a drink. I liked a drop of beer now and again - no cigarettes. I liked to 'punt' now and again and can't do that for lack of money; can't visit friends on the other side of Glasgow - don't see any improvement in future either. This Government seems to go out to cause unemployment. We have a daughter in Drumchapel (a suburban council estate) and we can hardly even visit her. When I get my Old Age Pensioner's ticket for the buses it won't be so bad but I have four years to wait for that. My son's widow and my four grandchildren now live in Portsmouth. What hope have my wife and I of ever affording the fare there. Its these things which make life worth living but now we have to live without them'.

The aftermath of redundancy also saw an erosion in the ambitions and self confidence of those worse affected. A milder observation was,

'....just sort of drifting from one job to another. You can't choose your work - just have to take what you can get and be more than pleased that you are actually working'.

The effects on others were more pervasive,

'Being long term unemployed makes you apathetic. You lose interest in applying for jobs as you think "I've tried that before with no success". You lose confidence to face life and end up just existing. My wife has gone out to work so our roles have been reversed. This new U.C.S. crisis doesn't make future work prospects in the yards very hopeful'.

So spoke a staff worker in his thirties. A 48 year old plumber, continuously unemployed for 10 months was even worse affected,

> 'I've lost faith in myself. I begin to wonder if it's me that there's something wrong with when I go for interviews. It's also affected my daughter (12 years old). I can't buy her all the things I used to. I don't go out a lot because it means walking and I can't afford to have my shoes repaired. Even if I get a job I don't know how I'll manage for the first fortnight with 'bus fares being so high and you have a week's lying time'.

In such an overall context the lack of emphasis on strong political comment was perhaps surprising. Political observations were not, however, totally absent but, when made, tended to be incidental if not subordinate to other statements. For example, a young electrician began,

> 'It's soul destroying being off work. It's bad for your morale, I am used to working. We are not any better off than in my grandfather's time. It was obvious when I left U.C.S. that this latest crisis was going to happen'.

He concluded,

> 'The trouble is that the capitalists would not put their money back into the yards to modernise them'.

And a 48 year old electrician advised,

> 'A change of Government is all I want to see. I'm a lot worse off financially after being out of work for so long (27 weeks). Mind you I'm lucky. Some of the men who left at the same time as me still haven't found work'.

Overall, it was powerlessness, disappointment and resentment rather than revolution which most aptly describe the men's attitude towards the social order. The concluding remarks of a 31 year old semi-skilled worker accurately capture this disillusionment,

'If giant concerns like U.C.S. can't copy with the changes in society, what chance has the individual? You tend to lose confidence and this has adverse effects when seeking work. Also there is a feeling of bitterness and frustration at the social system that can force an able bodied 30 year old to sign on and collect dole money.
There <u>should</u> be enough work'.

1. Introduction

The preceding chapters have explored, in various ways, the impact of redundancy on men obliged to find alternative jobs in an area experiencing disturbing, even traumatic, industrial change. Although the study has, in the main, been based on economic, and primarily labour market considerations, it has explicitly recognised the importance of the social as well as the economic objectives of economic policy. The necessity of so doing is now widely acknowledged by policy makers.

> 'The objectives of regional or of other policies are by no means solely economic: they reflect also public concern about disparities in opportunity and in environment. The objective of reducing unemployment in less prosperous areas, for example, reflects the economic aim of avoiding the waste of under-utilised resources, the social aim of preventing the human distress and loss of dignity which prolonged unemployment brings in its train, and the political aim of preventing divisive strains within the country manifesting themselves in public unrest and disorder.' (1)

Such wide concern could justifiably be expressed over the redundancies considered here because, besides undermining employment status and work-place relationships, they also frequently affected the men's families, their standing within the family and the community and ultimately culminated in the extensive social, industrial and political agitation occasioned by the U.C.S. liquidation crisis. Although there still remains a widespread belief, to be found even in the ranks of those affected, that 'the problems of unemployment' are either self-inflicted or belong to a previous era, our preceding analysis indicates that unemployment in 1971 could have effects often strikingly similar to those reported for the inter-war years.(2)

Despite improvements in the social security system and in the overall management of the economy since then, social and economic roles as well as

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(1) Industrial Mobility - Regional Policy in EFTA' E.F.T.A. Geneva, 1971 p.70.

(2) See, for example, 'Men Without Work - A Report made to the Pilgrim Trust' Cambridge University Press 1938 pp.286-290.

social values, particularly the importance attached to work, have not for most people changed radically from those of the 1930's. So, the re-emergence in our survey of apprehension over role reversal and being considered a 'layabout' cannot be considered all that surprising. Paradoxically, the relative security of employment until recently characteristic of the post-1945 period, has surely contributed to the sense of deprivation and alienation of those without work. In an insightful passage, Orwell put it:

> 'When I first saw unemployed men at close quarters, the thing that horrified and amazed me was to find that many of them were ashamed of being unemployed ..... it was a disaster which happened to you as an individual and for which you were to blame ..... no human being finds it easy to regard himself as a statistical unit. So long as Bert Jones across the street is still at work, Alf Smith is bound to feel himself dishonoured and a failure.' (Emphases are Orwell's.) (3)

The self-esteem of many of the U.C.S. workers was threatened in a similar way. While the intervening changes in social and economic policy suggest that we should not overstate such similarities, many of our more vulnerable respondents would feel no overstatement was involved. At the same time, circumstances have clearly changed, the problems of unemployment and the 'regions' have been addressed before and considerable effort expended in putting forward solutions. At the outset, we observed that, in areas like Clydeside, labour market questions were inextricably tied up with wider considerations of regional economic policy. Our own data, by itself, clearly does not permit a penetrative evaluation of regional policy as such. Nevertheless, manpower policy is continuing to evolve with the setting up of the Manpower Services Commission and the role of this new organisation and its relationship with regional policy deserve some further comment.

In the following section we take a closer look at the aims of the Manpower Services Commission and finally, in section 3, suggest a number of possible points of departure for manpower policy to make it more

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(3) Orwell, G. 'The Road to Wigan Pier' (Penguin edition, 1972) p.76.

effective for dealing with situations like the critical decline of U,C.S.

2. The Manpower Services Commission

We acknowledged in chapter eight that the Employment Service was itself aware of the need for various changes in its functions and procedures. This resulted in the proposals embodied in the Government White Paper "Employment and Training" and enacted in the Employment and Training Act, July 1973.(4) As a result of this legislation a new Manpower Services Commission (M.S.C.) has been set up to assist the Secretary of State in the formulation of manpower policy and to develop and extend employment and training policy in co-ordination with both sides of industry and local education authorities. Responsibility for the administration of redundancy payments and unemployment benefit has been retained within the Department of Employment leaving the M.S.C. free to concentrate on employment and training. Such reforms are being phased in gradually and will not reach completion until May 1975.

Introducing the Employment and Training Bill, the Secretary of State for Employment claimed: "The object of this legislation is to reform arrangements for promoting and to promote a more efficient working of the labour market, with fuller opportunities for individuals to develop and use their own capabilities".(5)

This was to be carried out through two agencies, an Employment Service Agency and a Training Services Agency, both of which would be responsible to the Manpower Services Commission. The creation of these new organisations was intended:

(a) to bring a higher degree of specialisation to the management of manpower policy and,

(b) to co-ordinate the development of training programmes in industry and further educational establishments more closely with the existing and future manpower needs of the economy.

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(4) "Employment and Training: Government Proposals", Cmnd 5250, H.M.S.O. March 1973. Also see 'D.E. News' April 1973 and September 1973.

(5) See 'Hansard - House of Commons Parliamentary Debates' Issue No.927 9th March - 15th March 1973 p.1133.

These improvements were to be brought about in a number of ways. Modernisation of the employment exchange network and changes in its placement activity, already touched upon in Chapter 8, were to be the on-going responsibility of the Employment Service Agency. The Employment and Training Act also revised the financing of industrial training and made an annual sum of £35 million available to the industrial training boards and also to enable the Training Services Agency to promote training in areas not covered by the boards. On top of this, the new organisation aimed to widen opportunities for retraining by increasing the number of Government Training Centres from 52 to 63 in 1975, raising the number of places from 12,000 to 18,000 and the annual throughput from 40,000 trainees in 1973 to between 60,000 and 70,000 in 1975.

The Manpower Services Commission, consisting of 10 members representing both sides of industry and education, was to preside over these developments, liaising with industry, the trade unions and the education system to ascertain how the various interested parties felt their needs could best be served. Having done so and developed its plans accordingly, the actual implementation of these would be the responsibility of the Employment Service Agency and the Training Services Agency.

The M.S.C. is a worthwhile institutional innovation. On its own, however, it is incapable of solving problems like those presented by the decline and ultimate fall of U.C.S. Because shipbuilding has been such a large and prominent industry on the Clyde for so long, it was inevitable that its serious contraction and possible disappearance would have wide-ranging repercussions. The sudden loss of so many jobs and so much income would have had a serious impact anywhere and Clydeside could afford it less than most other industrial centres. Apart from inevitable 'multiplier' effects, the prominence of this labour intensive industry had created a large dependent work force, many with skills highly specific to shipbuilding and, as we saw, many with apparently transferable skills which, however, could often be less acceptable elsewhere. These circumstances together with the prevailing state of the local economy meant that the problem was a wider one than that of U.C.S. alone.

The decline of a large and traditional industry, particularly where it has done so much to mould the character of its locality and determine the hopes and ambitions of its people, clearly creates complex problems which demand and deserve a comprehensive as well as a sympathetic package of policies. Action is required on both the demand and supply sides of the labour market. Some of the necessary changes, however can be brought about less quickly than others. In putting the policy package together, the importance of this time dimension must be clearly recognised in addition to other constraints such as trade union reservations about the implications of retraining and individual reluctance to surrender time-served skills.

The need for action on the demand side is obvious enough. This, however, has to bear in mind the need for jobs of a similar as well as of a different character to those being surrendered. The former are required to afford as much protection as possible to those whose skills and standard of living are jeopardised while the latter are needed to create a wider and more attractive frame of reference for school leavers. One of the major difficulties which we and others have observed in the problem regions, for example, is that job aspirations continue to be influenced by the traditional industries of a community even though they might be in decline. Even with the uncertainty surrounding the future of shipbuilding on the Upper Clyde, U.C.S. experienced no fall in the numbers of applications for apprenticeships nor in the uptake of those on offer.

Action on the supply side is equally important. Economic development, changes in technology and in the requirements of society inevitably demand that equivalent changes take place in the occupational structure of the society. This requires, in the first instance, the acceptance of such changes and a preparedness to transform skills accordingly. This is easier for new entrants to the labour force than for workers, particularly craftsmen, who have already acquired their skills at some cost. It also takes time to transform the occupational skills of a community by diverting school leavers into new forms of training and, meanwhile, the problem of the mature labour force remains.

Opposition, both individual and collective to economic change can be reduced if the society deriving the banefits also shares the costs by taking constructive action on behalf of those directly affected.

Diversification of the industrial structure in the problem area is part of this. But again, transformation is not instantaneous and does not take place without imposing different costs on firms, individuals and the community. If the problem is seen in a wider context than that of the specific enterprise, any resultant economic analysis must take social as well as private costs and benefits into account. Here the respective merits of gradual as opposed to sudden change require serious consideration. All this, of course, goes far beyond mere redundancy administration and underlines the need for a comprehensive approach. It is in this context that we have to evaluate the potential of the M.S.C.

Although the Employment and Training Bill was warmly received by both sides of the House on its second reading, the accompanying debate revealed that its limitations also provided cause for concern. Reservations were expressed about the impact which the new institutions might be expected to have on both general and regional unemployment. An example of the former was:

> 'The first question is whether the Bill will be helpful in seeking to return to full employment. I believe that it can be, but this will depend on other policies'.(6)

And the latter was aptly expressed:

> '.....with an unemployment situation such as we have in Scotland we must ask ourselves why we are training people. If we do not have the necessary jobs, to all intents and purposes training may become abortive'.(7)

This observation underlined an important omission, the failure of the Employment and Training Bill to spell out any specific relationship with regional policy and its associated institutions, although the Secretary of State for Employment, introducing the new measures frankly recognised:-

(6) Ibid., p.1149
(7) Ibid., p.1200

'There are obvious implications for manpower planning intelligence and regional policy.' (8)

The lack of co-ordination between government departments and other bodies concerned with manpower and regional policies remains, however, a major as well as a recurring criticism. Commenting on the changes in regional policy introduced in 1972, Nuttall, for example observed:

'This (the Industry Act 1972) gives the Secretary of State more opportunities for direct intervention in industry than were possessed by the Industrial Reorganisation Corporation ....But the Department's role so far has not, generally speaking, been initiatory or positive In order to undertake a more active role it would be necessary, of course, for it, in conjunction with other government departments and planning bodies, to analyse the long-term industrial and employment needs of the regions.'(9)

As things stand, the planning of the M.S.C. responsible to the Secretary of State for Employment, may very well proceed without any comprehensive co-ordination with the intentions of the Secretary of State for Trade and Industry under the Industry Act. Yet the need for such co-ordination was firmly endorsed by the Expenditure Committee of the House of Commons,

'.....we think that both the Department of Employment and the Department of the Environment should be more actively committed (to regional policy). The first of these as the department primarily concerned with unemployment has an important share in the execution of regional policy.'(10)

The continuing absence of any capacity in the M.S.C. to participate directly in the processes of job creation, however, still confines it to a 'reactive' role and makes it, on its own, an inadequate answer to the problems of industrial decline in areas like Clydeside.

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(8) Ibid., p.1148

(9) Nuttall, T. 'The Industry Act and Regional Policy', National Westminster Bank Quarterly Review, November 1973.

(10) 'Regional Development Incentives', a report by the Expenditure Committee of the House of Commons, H.M.S.O. 1973 p.72.

3. Points of Departure

(i) Demand Side Changes

Although the feeling that the Public Employment Service should take a more direct role in the development of industrial and regional policy is widespread there is less unanimity concerning how this might be achieved. A number of possible courses of action could be taken, some of which have been experimented with while others have only been contemplated.

First, the need for more effective liaison between employment-creating and labour market agencies cannot be over-emphasised. To achieve this, a prerequisite is that there be continuous co-operation and construction within the Manpower Services Commission. The training plans of the Training Services Agency, formulated in conjunction with the Industrial Training Boards and other interested parties, can only be improved after taking into account the wider labour market knowledge of the Employment Service Agency. Closer co-operation between the Manpower Services Commission and other public bodies is, if anything, more important. The benefits to be gained from liaison, particularly with the Department of Trade and Industry require no further emphasis. Additional benefits would accrue from, for example, synchronisation with the expenditure plans of local government authorities and with the objectives of regional development councils. The advantages to be achieved through counter-cyclical investment hardly require elaboration. They are nevertheless worth repeating when we realise that during the period of the U.C.S. run-down, when so many finishing tradesmen were losing their jobs, house building in both public and private sectors in Scotland was being cut back rather than expanded.(11)

The need to retain expertise, and commitment, particularly of a local nature, in the formulation of appropriate policies is paramount. Devolution of responsibility to the regional centres of the Departments of Employment and Trade and Industry does not necessarily provide this. Such devolution was consciously put into effect in the D.T.I. subsequent to the Industry Act (1972), but as Nuttall observed, this did not in itself result in the emergence

(11) Mukherjee, S. 'Scotland and Unemployment' - A Fresh Look' The Scottish International Education Trust. 1973 P48

of the required creative institutions and can still fail to create jobs where most urgently needed. In this respect the changes introduced in manpower policy by the Employment and Training Act cannot be considered as providing any novel remit for taking action within the 'regions'. Although liaison with industry and local education authorities is written in, it offers little in the way of a solution for problems specific to a particular firm or locality. Yet it is becoming more generally recognised that particular problems can arise within regions for which regional measures themselves are either too indiscriminate or lack immediacy. As things stand, no reliance can be put on incoming investment to arrive at the right time and place within a region. Moreover, the jobs created through incentive-led private investment may only be remotely connected with skills traditional to the host region, many, for example, more suitable for women. A case can be made, therefore, for attempting to transform the industrial structure of a locality in a more purposive way by, say, trying to lead in activities more likely to draw on the traditional skills to be found there.

Gradual change, however, can create its own problems. For example, it might be argued that prolonging the life of a sick industry serves to perpetuate an outdated industrial structure and fails to enlarge the horizons of job seekers. Obviously such apprehensions cannot be brushed aside lightly. At the same time, workers have a considerable stake in their acquired skills and since their 'choice' is determined primarily by their industrial environment, society must accept some responsibility to protect them from the more severe effects of radical changes in that environment. In any event such social obligations need not come into conflict with economic efficiency, as the introduction of oil rig construction to the Clyde by Marathon indicates. While this opportunistic innovation might be an indictment of British enterprise, particularly in the shipbuilding industry, there seems little reason why such suitable 'bridging' activities should depend exclusively on, to some extent, fortuitous investment decisions of the private sector.

A more radical alternative would move beyond traditional policies dependent largely on incentive-led private investment and would involve government departments or more probably, alternative specialised bodies, in direct job creation. A variety of possibilities present themselves here, some, for example, envisaging direct state enterprise on the East European model if smaller in scale, others combining private with public capital in the development of local industry. Commenting on the qualified success of 'conventional' regional policies in alleviating regional unemployment, McCrone, for example, suggested:

> 'A quite different way in which public authorities may intervene to provide regional development is by the use of public companies.... This type of policy has been pursued in Italy where it is one of the main instruments open to the Government in tackling the regional problem ..... The fulfilment of regional plans and the establishment of growth areas might be achieved more readily if key enterprises could be started in this way instead of always having to rely on the rather roundabout techniques for inducing private enterprise'.(12)

Adaptations of the Italian I.R.I. model have also been considered as possibilities by the Labour Party when in opposition and actually experimented with in Northern Ireland.(13)

The requirements of the regions, the deficiencies of exclusive dependence on private investment and apprehensions about committing excessive authority to anonymous centralised bodies have also resulted in support for regional development boards.(14) Although these could be wholly owned by the State, participation by private capital might be justified on several grounds. For example, in situations where innovation and imagination are at a premium it

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(12) McCrone, G. 'Regional Policy in Britain', Allen and Unwin, 1969, pp.204-205.

(13) See, for example, 'The Feasibility of State Industry in Northern Ireland' Northern Ireland Economic Council, HMSO Belfast, 1971 & 'The National Enterprise Board', Opposition Green Paper, the Labour Party, 1973.

(14) See for example, Mukherjee, S. 'Scotland and Unemployment, etc.' op.cit., pp.65-66 and 'West Central Scotland - A Programme for Action', West Central Scotland Plan Steering Committee, 1974, chapter 6.

makes sense to provide some means whereby all worthwhile ideas and expertise can be mobilised in the interests of the region. In addition, apart from trying to introduce entirely new activities, an alternative way of galvanising a sluggish local economy is by revitalising indigenous industry. The achievement of this objective can be assisted by public money acting as a catalyst to and in harness with existing private capital. Resurgence need not inevitably follow, however, and the pitfalls of 'feather-bedding' have obviously got to be carefully guarded against in any such enterprise.

Taking such precautions could be made part of the remit of a locally based development board. For example, some constructive tension could be built in by dividing responsibilities within the board. The funding intentions of the 'development unit' could be made subject to the criticism of a 'management services' branch. Indeed the provision of specialised management services to clients would fulfil a more general need since many smaller firms might not be capable of supporting such an expense on their own.

The frame of reference of such a board would also include analysing the potential as well as the deficiencies of the problem area and initiating appropriate action. This would require adequate manpower planning at the local level to establish what the available pool of skills was and how it might be transformed. Action could be taken subsequently, or in anticipation of the results of retraining, to attract in appropriate activities or introduce them directly, in collaboration with commissioned expertise where necessary.

Exploring the various possibilities for increasing the growth potential of a local economy and its effects on the demand side of the labour market reveals that any firm distinction between demand and supply side action becomes more and more questionable. A preparedness to change, such as negotiating a flexibility agreement, is more likely in a promising than in a threatening economic climate. Attempts to improve the efficiency of local firms without any favourable impact on employment prospects are not likely to win the support of the local labour force. The development board would obviously have to bear this in mind and include in its package of services some ideas, for example, on the management of internal labour markets to protect particularly vulnerable

groups of workers, such as older men, from the harsh effects of losing their jobs without any prospects of finding alternative employment. This could include, for example, transfer from heavy production work to less demanding jobs, such as storemen, with advancing years.

(ii) Supply Side Changes.

The changes introduced by the Employment and Training Act still leave a number of gaps in British manpower policy when compared with that of other countries. Some of these although involving supply side considerations are due to the Act's lack of emphasis on the demand side of the labour market. Because of this, reservations could be, and indeed have been, expressed about the realism of its various objectives; to extend training opportunities for youths, to increase retraining opportunities and facilities for adults and to undertake not only training for the current needs of the economy but to initiate some anticipatory training for the future. Although all of these objectives are admirable in their own right, their worthwhileness is diminished unless participants can have a reasonable expectation of improving their job prospects as a result.

Expectations about the benefits of retraining, however can only be low in an area like Clydeside when a dearth of employment opportunities even for well qualified tradesmen is also accompanied by a strong attachment to the traditions of craft apprenticeship. Both these factors must clearly be taken into account if 'training for the future' is intended to be put into practice. This country's manpower policy has not so far embraced the Swedish philosophy of providing training places as a substitute, albeit a temporary one, for employment.(15) There are obvious dangers in creating expectations which cannot be satisfied which do not arise to the same extent in Sweden as in a country of Britain's size and regional disparity.(16) Nevertheless,

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(15) See Mukherjee, S. 'Making Labour Markets Work' PEP Broadsheet No.532, 1972 pp. 88-92.

(16) See Hansard, op.cit., pp.1192 and 1200.

the Employment and Training Act does envisage forward planning in Training as part of the future scheme of things. Certainly, in the case of new entrants, to the labour force, the making of informed career choices can be assisted by vocational guidance and the further co-operation intended between the M.S.C. and local education authorities will hopefully reinforce this. But the horizons of school leavers also have to be extended. While the general education system has an obvious role to play here an additional and necessary requirement yet again is that workers and school leavers should have a wider frame of reference within which to exercise choice over training courses and particularly jobs.

Of course it can be argued that mobility on the supply side provides an alternative to revitalising the local economy and, indeed, out migration from the problem regions has historically been a prominent element in the reduction of regional unemployment.(17) This, however, is often only undertaken as a last resort and then only involuntarily. Moreover, the deep seated sense of identity evident in regional and, more so, national sentiment means that public policy cannot, for long, remain insensitive to political pressure from the regions.(18) There is no reason, however, why the option of leaving the home area for work should not be made more attractive to those who might be interested. Much reluctance to do so is due to apprehension and unfamiliarity with other possible work locations.

This is a problem which could be tackled in the pre-redundancy phase and underlines the importance of initiating registration and placement activity before workers actually move out into the market. Yet, as we saw previously, the Employment Service in Glasgow was handicapped by the U.C.S. decision not to participate in pre-redundancy registration and placement activity. Although not intended to be obstructive, this did not make things any easier either for the Employment Service or for the men soon to be on the labour market. This obviously should not be left to the discretion of the employer alone. In this respect, even after re-organisation, the power of the Manpower Service here

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(17) See Richardson, H.W. and West, E.G., 'Must We Always Take Work to the Workers', Lloyds Bank Review, January, 1964.

(18) See Nuttall, T. op.cit.

compares badly with other European countries. We have already recognised that a crisis like that on the Clyde cannot be solved overnight. Time must be won while transitional steps are taken allowing more fundamental changes to occur in the longer run. To achieve this would seem to require a more comprehensive and more interventionist approach to manpower policy in this country.

(iii) A More Interventionist Manpower Policy

Apart from conferring no power over job creation neither do the changes in the manpower service give any authority to prevent or retard job 'destruction'. Yet the preservation of jobs in major redundancy situations can play a crucial part in the development of policies for dealing with such crises. For example, even a temporary 'stay of execution' can allow the employment service vital time to provide in-plant services to help find alternative employment for the men involved. Even in the daunting circumstances evaluated here, the combination of in-plant services with the phased run-down conducted by U.C.S. would probably have reduced the problems encountered by the redundant men once in the market. Moreover, even if a firm or industry is suffering serious problems, its labour force can be reduced over time by cutting back on recruitment and allowing natural wastage to take its toll. This approach might not be appropriate in every case and, where adopted, would probably require a negotiated subsidy to maintain the activity for the required period of time. In particular situations, however, such costs might be deemed preferable to those which society would otherwise have to bear. Here, the employment ministries of countries like France, Germany and Sweden have more rights and employers more obligations in redundancy situations than is the case in this country.

In France, the managerial prerogative of employers contemplating redundancies is subject to far more severe constraints.(19) Such employers, for example, are obliged to obtain Ministry of Labour approval before any dismissals occur and then only after alternative courses of action have been discussed. In

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(19) Mukherjee, S. 'Through No Fault of Their Own' op.cit., pp. 189-191

these discussions, the views of the labour force must be taken into account. The government department in effect, has the right to enter into the management of the firm's internal labour market in the period preceding the contemplated lay-offs, investigating various possibilities such as reducing overtime and shortening the working week as well as relying to a greater extent on natural wastage. When redundancy is unavoidable, the French Ministry, unlike the Department of Employment here, does have the right to retard and stagger the lay-offs where a local employment situation is particularly difficult and the Employment Service requires time to assist the redeployment of the affected men. Similar provisions exist in Germany although not supported by law to the same extent as in France.(20)

In comparison, British manpower policy remains permissive and reactive rather than interventionist. There is a clear cut need to increase the authority of our own Employment Service in certain circumstances which must inevitably be accompanied by a reduction in the prerogatives of employers. Inducing employers to adapt their own manpower policies in recognition of the wider good of the community is, as a comparison of the British and French experience shows, more likely to be brought about by legislation than exhortation! Such legislation, however, would be well worthwhile if it leads to the adoption of a much more enlightened approach to manpower policy on all levels.

The setting up of the M.S.C. does not, of course, take us along any of these paths. Hopefully, however, it does have the potential to become a necessary and enabling step on the road towards a more genuinely active and effective manpower policy. For, as one participant in the parliamentary debate on the Employment and Training Bill put it,

> 'It is a cliché but nevertheless it is profoundly true to say that manpower is the most precious resource possessed by this country. If we fail in our manpower policies, we fail in a number of senses. We fail because people's working lives will be less satisfying to them and less rewarding than they might have been, and we fail in the sense that in any loss of productivity society

(20) Ibid. pp.227-229

as a whole loses the essential economic growth which we ought to achieve.' (21)

(21) Hansard, op.cit. p.1160

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INSERT (i)

FIELDWORK AND ANALYSIS OF THE QUESTIONNAIRE

The questionnaire used for the UCS survey can be regarded as the composite product of a nember of different imputs. First, the surveys used by previous labour market researchers were perused for relevant questions. The resultant 'skeleton' was subsequently rearranged and filled out by additional questions which seemed appropriate to the UCS situation for theoretical, 'policy' or more local reasons.

Our sample of 400 **was randomly** drawn within occupational strata, as described in chapter 3 of the thesis, from the sampling frame, a list of some 2,000 redundant workers made available to us by UCS. A separate smaller sample of 20 names was drawn and used as the basis for a pilot survey which took place in Glasgow between the 10th and 15th May 1971. The fieldwork was carried out by Data plan Ltd, a market research firm organised on a national basis. This firm was chosen from four invited to tender for the fieldwork on the basis of its field organisational size and structure and the services offered as well as on the basis of the estimated costs. Four interviewers were employed on the 'pilot' and these were 'briefed' and 'debriefed' at Glasgow University before and after going into the field. Some minor changes were made to the content and ordering of the questionnaire as a result. Data plan undertook the reproduction of the final form of the questionnaire and ensured that its layout would ease its use 'in the field..' A copy of the questionnaire is enclosed.

This form of the questionnaire was put into the field for the main survey on the 2 June, 1971 and was virtually completed, apart from tracing a number of removed respondents, by 15 July 1971. The timing was deliberate and, in the event, successful. On the one hand, it had to give enough time for the 'tail end' of the run-down to 'find their feet' or otherwise in the labour market. In other words, approximately six months had elapsed between the end of 1970 and the commencement of the fieldwork.

On the other hand, the fieldwork had to finish, more or less, before the beginning of the Glasgow 'Fair' holidays, traditionally the latter two weeks of July, since it was to be expected that numbers of the sample might then be absent from home, reducing the response rate. Our ultimate response rate of 82.5% and the data provided by the survey suggest that the timing strategy was appropriate.

Twenty interviewers under a field supervisor were employed by Data plan on the main survey and the four hundred selected names and addresses were distributed amongst them. Prior briefing was again conducted in the University of Glasgow. As completed questionnaires were returned to Data plan, they were edited to ensure that the interview had been conducted appropriately and the questionnaire completed logically, eg to guard against workers who had found other jobs answering questions specific to the continuously unemployed. They were then dispatched in batches to Glasgow University where they were inspected and given a more refined editing. Unsatisfactorily completed questionnaires were returned to Data plan and the respondents re-interviewed.

After our own editing, the survey data was put on 80 column punch cards and then transferred to magnetic tape where it was more thoroughly 'cleaned' for punching and other errors. Analysis was then carried out with the assistance of the Computing Services Department in the University of Glasgow and the SPSS (Statistical Program for the Social Sciences) packaged computer program.