Recruitment and Selection – the Great Neglected Topic

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Editor’s Foreword

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Abstract
The purpose of this paper is to provide an overview of the literature on recruitment and selection (R&S) and to link what these different bodies of research reveal in terms of the relationship between employee selection and different strands of education and training policy and practice. The intention of the paper is not to offer a comprehensive literature review, but to act as a catalyst for trying to understand R&S as a process, rather than as a series of atomised strategies; and also to begin to move thinking forward on this important but neglected topic. In particular, the aim is to learn how far R&S impinges and impacts on general education and training policy debates.
Introduction
Within general discussions about skills, education, training and their relationship with the labour market, recruitment and selection (R&S) is often either wholly absent as a topic or is regarded as being of relatively marginal importance. The supply of skills has generally been seen as central, with the process of its absorption into employment within organisations viewed as a relatively unproblematic, minor issue. The silence of policy debates on the topic is mirrored by the world of research. For example, in Rauner and Maclean’s (2008) massive overview of technical and vocational education and training research, the index contains not a single reference to either recruitment or selection.

Within the research literature, recruitment and selection activity is predominantly dealt with in two fields:

- a generally prescriptive human resource management (HRM) or personnel management viewpoint (see, for example, Taylor and Collins, 2000); and
- a very technical psychology literature that focuses on the validity (absolute and relative) of different forms of recruitment techniques, such as competency modelling, interviews and various types of psychometric testing (see, for example, Hunter and Hunter, 1984; Barrick and Mount, 1991; Rynes et al, 2000; Shippmann et al, 2000; and Lievens et al, 2002).

To a lesser extent, R&S is also addressed in the fields of economics (in terms of the labour market), and education and training (usually in terms of the impact that qualifications have within the R&S process). In many instances, insofar as it is thought about at all, it is normally treated as a relatively simple, mechanistic ‘matching’ process and the problems associated with it as being largely technical in nature.

It is also worth pointing out that much of the research that is drawn upon in discussing R&S does not have recruitment as its prime focus, but simply deals with some limited aspect of the topic. For example, there is a considerable body of work in the UK that over time has probed employers’ happiness and/or satisfaction with the outputs of the education and training system (see, for example, Reed, 1981; Industry in Education, 1996; Sims, 1989; and Johnson and Burden, 2003); while a parallel strand has tried to get to grips with employers’ perceptions of and responses to different types of qualifications (for some early examples, see Reed, 1980; Williams, 1981; Sims, 1989; BT, 1993; and for a more recent example, see Roe et al, 2006) and, in some cases, their usage within organisations’ R&S activity (for example, LSC,
2008; Shury et al, 2008). In the main, however, the focus of this work has generally been quite narrow and has often failed to locate the use of qualifications as part of the R&S process within any wider framework that might link this aspect of R&S with wider issues concerning why and how employers have specified their skill acquisition needs in the way they have, and how these choices then impact on and inter-relate with the deployment of R&S techniques and sources of labour. They also often fail to pay much regard to how qualification usage relates to employers’ conceptualisations of the skills that they are trying to hire. Moreover, the bulk of both these strands of research are based on survey data that offers a description of a particular pattern of employer behaviour, but can provide only limited explanation for why it occurs as it does.

Moreover, as with so many other areas of UK research in the broad field of education and training (Brown and Keep, 1999), the bodies of literature have an unfortunate tendency not to acknowledge each other’s existence, with disciplinary compartmentalisation a major weakness, and integration and cross-fertilisation of ideas all too infrequent. There is, for example, limited evidence that those educational researchers who have been interested in the role played by qualifications in R&S decision-making have engaged with the bulk of the HRM literature on the topic, and no evidence at all that HRM researchers are even aware of the efforts of the educational research community. As a result, much of the R&S research does not help generate a cumulative effect; it simply fails to build on that which has gone before (albeit in different disciplines). Indeed, much of what is available has been designed to meet relatively narrowly specified needs: the provision of a normative textbook model of ‘how to do’ R&S for personnel/HRM managers, or to service particular, quite tightly defined, policy debates (often concerning the design of vocational qualifications). Integrative, multi-disciplinary approaches that adopt a broad perspective are comparatively rare.

Furthermore, there is also a depressing reluctance, which seems to be common across many areas of contemporary UK social science, to ignore work if it was undertaken more than a few years ago. A great deal of very useful research on R&S was undertaken in the 1970s, 80s and 90s, but has vanished from sight and citation. This is unfortunate. Some of the data it reports may no longer be relevant (though it can offer interesting contrasts with conditions today), but many of the typologies, models and analytical frameworks and perspectives generated in these forgotten
studies remain valid and useful (see, for example, Malm, 1954; Doeringer and Piore, 1971; Beynon, 1975; Courtney and Hedges, 1977; Blackburn and Mann, 1979; Hedges, 1983; Oliver and Turton, 1982; Jenkins, 1984; Ford et al, 1986; Jewson and Mason, 1986; Windolf and Wood, 1988; and Fevre, 1989).

What follows represents the start of a broader project by the ESRC Centre on Skills, Knowledge and Organisational Performance (SKOPE) to examine the often complex relationship between education and training and R&S in terms of both policy and practice. The purpose of this initial paper is to pose a challenge to the tendencies outlined above, and to provide an overview (albeit incomplete) of the different fields of literature on R&S in order to begin to place in context what we do know about employee selection as it relates to a range of issues to do with education and training policy and practice. There is no attempt to produce a comprehensive systematic literature review, rather the intention is for the paper to act as a catalyst for trying to understand R&S as a process, rather than a series of atomised strategies; and also to begin moving the thinking forward on an important but neglected topic. In particular, we are interested to learn how far R&S impinges and impacts on general policy debates in relation to the education and training system and its interactions with the labour market. In turn, we may be able to identify why the simple, mechanistic matching process, as it is currently understood, is failing to match up to what seems to be occurring in reality. The next section begins by asking some fundamental questions that need to be answered in order to understand R&S:

1. Who is being recruited?
2. What (skills, qualifications, qualities, attributes, and characteristics) is being recruited?
3. How is it being recruited?
4. Why and with what consequences and effects is recruitment and selection taking place?

In attempting to answer these questions, it has become evident that it is difficult to address each issue in huge detail given the extant research base, for in many instances the literature and data required to form any meaningful picture on what happens, or why it happens, in R&S is either wholly or partially lacking. Consequently, in what follows there are a number of gaps, wherein more questions are raised than answers given. In the penultimate section, we address the conflict of needs that arise when discussing R&S. In the concluding section, we identify some of
the most important weaknesses in our current research base, draw together two effects of what we know of the current patterns of R&S and use this as a platform to posit areas for future research.

Who is being recruited?
There is a large volume of research literature concerned with this question, primarily driven by a desire to probe one of two concerns:

1. Patterns of career choice and discrimination on the grounds of race, age, gender (see Fuller et al, 2005 for an example of this body of work), or sexual identity; and

2. The degree of class stratification in accessing certain types of employment (Brown and Hesketh, 2004) and the levels (absolute, relative to other countries, and relative to other periods) of inter-generational social mobility as measured by either social class or income level. For recent examples, see McIntosh (2004); Furlong and Cartmel (2005); Sutton Trust (2005 and 2006), and Panel on Fair Access to the Professions (2009). Goldthorpe and Jackson (2007) provide a good overview of this topic.

On the one hand, concern about selection criteria and potential biases in R&S decisions has resulted in the generation of some of the best and most detailed examinations of contemporary R&S strategies and processes that are available for UK organisations (see, for example, Brown and Hesketh, 2004). On the other hand, the mainstream education and training and economics literatures are predominantly driven by policy concerns and are often based on two key assumptions:

1. R&S is operated under a meritocratic model, that is the best qualified gets the job; and

2. skills are defined within the R&S process by qualifications and that in turn qualifications are a good indicator/proxy for skills (Leitch, 2006)

both of which are open to serious question and lack the support of a base of solid empirical evidence (aside from a few instances, see for example Miller et al, 2002).

The literature on career choice and its relationship with information, advice and guidance is an important exception (for example, Hodkinson et al, 1996; Hodkinson and Bloomer, 2001; Ball et al, 2000), and tends to underline the role played by issues such as individual experimentation, parental social class and its associated expectations in allocating young people to different educational pathways and into a stratified labour market.
What is being recruited?
At the outset, it is imperative to acknowledge two limitations in relation to this question. Firstly, the labour market establishes limits on what employers can, for any given level of pay/reward on offer to future employees, expect to recruit. In tight labour markets, or in instances where the job on offer is unattractive relative to other opportunities in the labour market, ‘the problem becomes one of recruitment rather than selection’ (Lockyer and Scholarios, 2007:531). Thus, despite much of the prescriptive HRM recruitment literature’s obsession with R&S being there to achieve a perfect match with employer requirements, in tight labour markets employers have to search around for suitable candidates and may be forced to take what they can get, rather than that which they might ideally desire.

Secondly, employers are not a homogenous group (Stasz, 1996). In fact, they are extremely heterogeneous, and their patterns of R&S and the preferences they express through such activity are also extremely varied and hence difficult to predict or aggregate (Huddleston and Keep, 1999; Gleeson and Keep, 2004). Lloyd (2007) provides an excellent example from her research on fitness instructors. She found the way in which recruiters afforded relative priority between their varied job requirements (within the context of an occupation operating a voluntary form of licence to practice) varied enormously depending on the preference and opinion of individual managers, the quality standards, product market positioning and strategy of the company, and local labour market pressures. This highlights the problem of ‘employer’ and employer preference as meaningful single categories.

Nonetheless, the range of possible requirements employers may seek to recruit have continuously and consistently been codified and grouped into different typologies and classifications. These requirements vary considerably from job to job, reflecting different facets of what labour brings to the productive process:

- Quality/ambassadors (the best people for best firms);
- Reputation for success (doctors, lawyers, artists, accountants, senior managers);
- Effort/labour/presentism (willing to ‘put in the hours’);
- Technical skill and knowledge (of various types and levels);
- Cognitive and reasoning skills;
- Creativity;
- Physical strength and resilience;
• Manual dexterity, tool usage and hand to eye co-ordination;
• Soft skill/generic/inter-personal skill (various types and levels);
• Appearance, voice, and accent (aesthetic skill);
• Personal attributes, behaviours and characteristics (someone like us/someone who will fit in);
• Social capital/contacts/network access (see first and second bullets above);
• Motivation (hunger, desperation, drive to succeed) and in some cases a willingness to tolerate unappealing aspects of the job;
• Experience (proof of ability to perform – proof of limited need for training); and
• Potential (ability to fill future jobs not just the current job opening).

It will be noted that, in many instances, the ability of formal qualifications to signal the presence of, and certify with any great reliability the quality, depth and level of these various characteristics and attributes is liable to be limited, and in some cases non-existent. These requirements and their relative importance, will also be influenced by a wide range of factors, including product market strategy, people management strategies and practices, the skill mix dictated by particular productive technologies and process choices (Ashton and Sung, 2006; Lloyd, 2007), work organisation, job design and organisational culture and history. Moreover, Nickson et al (2003) show there are signs of strategic intent where employers in some organisations have thought through a particular product specification or service offering and then designed a people specification to meet this. There may thus be a ‘best person’ for a particular job, but there is no one, single ideal type of universal job candidate.

Furthermore, the various bodies of literature offer their own lists. For example, from the academic side Brown et al (1984) offer suitability, capability and acceptability as broad categories for analysing employer requirements. Within the policy literature, particularly that generated by various lobbying and interest groups, there are many long lists of supposed ‘skills’, often labelled generic in nature and sometimes subsumed under the portmanteau term ‘employability skills’, that employers are said to desire or demand from those candidates emerging from the education and training system (for a useful overview of these lists and their meaning, see UKCES, 2009). Moreover, there are authors such as McWilliam and Haukka (2008) who are calling for the education of a creative workforce to generate creative
capital defined as ‘the human ingenuity and high-level problem-solving skill that lead to fresh opportunities, ideas, products and modes of social engagement’ (2008: 652). Gleeson and Keep (2004) discuss the utility of some of these classifications. It may be noted that many of these ‘skills’ in fact do not appear to be skills in the conventional sense of the word, but are rather personal characteristics, attitudes, and psychological traits (see Payne, 1999; Payne and Keep, 2004; Warhurst and Nickson, 2001 & 2007), some of which may not be amenable to creation and/or improvement via education and training, and many of which are not easily certified by traditional forms of qualification.

**The Role of Qualifications in R&S**

The seemingly growing importance of what are termed soft, generic or inter-personal skills and/or personality traits has crystallised debate about the relative importance of qualifications versus other skills/factors within R&S. With the shift from manufacturing employment into services, and particularly the rise of interactive personal services (e.g. call centres, retailing, personal care) there has been a growing interest in, and concern about, the degree to which R&S decisions increasingly revolve around the candidate’s possession of these generic skills and attributes (see Grugulis et al, 2004; Payne, 1999; Warhurst and Nickson, 2001). As one call centre employer put it, ‘we recruit attitude’ (Callaghan and Thompson, 2002: 240), though in other instances employers may be recruiting appearance (Warhurst and Nickson, 2001 and 2007).

The problem of arriving at any accurate picture of what the balance of importance is between other characteristics and attributes and qualifications when recruitment decisions are being made is an issue for both policy makers and researchers. The Confederation of British Industry (CBI) claim that an 80/20 rule is in operation: employers afford 20 per cent of the weighting to hard skills (amenable to certification) and 80 per cent to non-certified generic and soft skills (CBI, 2007:13). In the United States, employers appear to be reducing the priority they afford to candidates’ experience and boosting the stress they place on attitude and soft skills (Moss and Tilly, 1995).

A further indicator of this trend has recently emerged via a body of work, mainly conducted by psychologists and sociologists, that examines the impact of personality traits on occupational attainment and earnings (see, for example, Jackson,
The overall finding is that personality type (or non-cognitive skill, as economists tend to prefer to name it) appears to have a major impact on earnings levels, which is sometimes more significant than qualifications. In turn, this reflects the influence that personality traits, and the attitudes they engender, have on how individuals perform in the workplace. Many employers are seeking to recruit employees who demonstrate what they regard as positive attitudes and dispositions (towards work, change and social interaction with both customers and co-workers), and qualities such as leadership, industriousness, perseverance, and a positive attitude towards authority (Bowles and Gintis, 2002: 10-11). The difficulty for education and training policy makers is that they have, on the whole, preferred to see qualifications as the main determining factor in R&S decisions, to use calculations on the rate of return or wage premia attracted by particular qualifications as their key indicator, and to ignore other factors that might be impacting on R&S decisions and wage rates (see Keep, 2009a).

Table 1: Important factors in recruiting

<table>
<thead>
<tr>
<th>Factor</th>
<th>Importance</th>
</tr>
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<tbody>
<tr>
<td>Experience</td>
<td>86%</td>
</tr>
<tr>
<td>Skills</td>
<td>83%</td>
</tr>
<tr>
<td>Motivation</td>
<td>80%</td>
</tr>
<tr>
<td>References</td>
<td>71%</td>
</tr>
<tr>
<td>Qualifications</td>
<td>54%</td>
</tr>
<tr>
<td>Availability</td>
<td>47%</td>
</tr>
<tr>
<td>Recommendations</td>
<td>40%</td>
</tr>
<tr>
<td>Age</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: Forth (2006)

In terms of the UK, data from the Workplace Employment Relations Survey (WERS) 2004 offers the following ranking, detailed in table 1, of factors employers regarded as important when recruiting. A quite considerable number of UK studies (Evaluation and Development Agency, 1997; IFF Research, 2000; Spilsbury and Lane, 2000; Jackson, 2001; Jackson et al, 2002; Miller et al, 2002; Atkinson and Williams, 2003; Johnson and Burden, 2003; Bunt et al, 2005; Newton et al, 2005; Roe et al, 2006; Shury et al, 2008; LSC, 2008) all appear to show that qualifications’ role in the R&S process is often quite limited, and that many jobs seem to carry no specific qualification requirement at the point of recruitment. For example, the DfES’s Learning and Training at Work survey indicated that only 22 per cent of
employers said that they took qualifications into account ‘a lot’ when recruiting young people (IFF Research, 2000). Moreover, Johnson and Burden (2003: 24) found that, ‘with a small number of exceptions, employers place relatively little emphasis upon formal qualifications or specific technical skills or experience when talking about the things they look for in potential new recruits’. Perhaps more worryingly for policy is some evidence that over time the influence of qualifications on UK labour market outcomes, at least as measured in terms of the promotion of inter-generational social mobility between classes, has actually declined (Jackson et al, 2002).

Thus, at present, we are confronted with a conundrum. On the one hand, employer representatives, such as the CBI, talk about the degree to which employers prioritise personal characteristics and inter-personal and soft skills; on the other, evidence from sources such as the Labour Force Survey (LFS) and economic analyses of wage returns to qualifications, although with limitations (see Conlon and Moore, 2001), suggests that people holding qualifications are more likely to be employed than those without (Machin and Vignoles, 2001; McIntosh, 2004; Dickerson and Vignoles, 2007; Jenkins et al, 2007). Brynner and Parsons (1998) corroborate the latter with evidence that the chances of employment rise with the level of qualification held, and that possession of some forms of qualifications, acquired via particular routes, on average generate positive wage effects (McIntosh, 2004).

How are we to explain this? The first point to make is that to talk of qualifications as though they formed a useful single category is almost certainly extremely misleading and potentially dysfunctional. As with employers as a single group, qualifications vary across a wide range of dimensions, including:

- Awarding body/institution (and relative status thereof);
- Type (academic, vocational);
- Level;
- Type of knowledge/skill being certified; and
- Occupational specificity,

and the standing that they have in the eyes of different types of employer, and their relevance to the characteristics/competences/skill sets that any given employer is seeking when trying to recruit an individual to fill a particular job, will tend to vary quite considerably. Blanket statements about the value of qualifications within R&S decision-making can therefore be misleading. All other things being equal, a PhD in nuclear science is likely to be helpful in obtaining a job in the nuclear safety
inspectorate. A vocational qualification at Level 2 in plant maintenance is likely to have less hold over this appointment process. Neither qualification will necessarily be the deciding factor if the job in question is for that of a retail assistant, not least, as Atkinson and Williams (2003) conclude, because in many instances recruitment to lower skilled forms of employment relies on relatively cheap, quick and informal recruitment methods (see below) based on personal traits such as reliability, motivation and attitude.

Second, we need to understand that the economic literature on the rate of return/wage premia to various qualifications is not without its weaknesses (Conlon and Moore, 2001). To give just two examples, in many cases the rate of return and/or employment effects of qualifications are calculated relative to persons holding no qualifications at all. For example, DfES/DWP (2006: 10) note that, ‘the employment rate for males with no qualifications is 54.7% and for males with Level 2 qualifications is 79.0%’. The problem is that those with no qualifications at all are a dwindling group within the labour market and one that today will increasingly tend to be filled by people who have a range of other learning difficulties, or behavioural or health problems that will make them less likely to be employed (with or without qualifications). In a sense, ‘no qualifications’ is often a category that simply signals the existence of other underlying disadvantages (see Berthoud, 2003). This group may therefore not be a particularly useful comparator. Another problem with the wage premia that rate of return studies report is that they are expressed as averages, and in reality the impact of qualifications on wages may be quite widely dispersed, not least due to other factors (such as personality traits) that are often unobserved factors in this work (see Keep, 2009a for a fuller treatment of these issues).

Furthermore, one of the key difficulties in understanding what is going on around qualifications within the R&S process is that employers’ responses to survey questionnaires, or the content of the job advertisements they place in newspapers, may not always be a particularly reliable indicator as to the R&S criteria they use and prioritise in practice (see Roe et al, 2006; Roberts, 2009), not least as the person responding to the survey may not be the person who actually undertakes the R&S activity within the organisation (in larger organisations this will be a particular problem, with the HR department often answering the survey, and line managers doing the R&S). For example, we know that in retailing completing the company’s
own qualification once in employment is very important (Maguire et al., 2008) even though qualifications may not be sought in the R&S process.

Another potential cause of the apparent decline in the salience of qualifications within the R&S process is that in a world where levels of education and hence qualifications are high, qualifications have become a much weaker distinguisher or signifier of unique talent as they are more or less ubiquitous (Coughlan, 2008). The massification of higher education and the huge expansion in the number of graduates entering the labour force in the UK is one example (Brown and Hesketh, 2004; Keep and Mayhew, 2004). In other words, the abundance of degrees diminishes their power as a signifier of rare, higher order, cognitive ability. As Brown and Hesketh (2004) argue, in the types of jobs where qualifications are important, they now determine access through the R&S process threshold, but have limited impact thereafter as the other candidates have similar qualifications. Moreover, if all applicants have a degree, recruiters will start to seek to distinguish between candidates by virtue of degree classification and type and status of the institution at which the candidate studied. Thus, access to blue chip graduate jobs is far more likely for a student coming from a Russell Group university than it is from a student applying from an ex-Polytechnic (Brown and Hesketh, 2004). Furthermore, employers may judge that higher education has undertaken a first stage of their selection process for them. As a result, some organisations, such as management consultants and banking firms, are taking into account the rigorous interview process that potential employees have undergone for university entrance selection, such as at Oxbridge, and using this as a signifier of future potential.

Despite all of the above points, there is reasonably strong evidence that qualifications do appear to play a useful role in reducing the transaction costs of R&S, in that they provide a handy sorting/sieving device for reducing the number of applicants to consider or interview (Roberts, 2009). Qualifications can be used in this way as they are taken to provide simple, standardised, formalised units of currency acting as a proxy for a range of things: particular skills and bodies of knowledge, and a more general ability to learn. The failure of the English National Record of Achievement to gain wider acceptance and usage among employers shows that recruiters do not appear to value more detailed information on candidates if the time and cost of absorbing and sifting it is high. Qualifications work as they give a simple grade or pass/fail indication. Skills logbooks and other forms of profiling are less
liable to be adopted as they present information that is too complex to process cost effectively. Thus, qualifications are an efficient means of conveying or distributing a package of information about the applicant that can be used to signal and/or screen. The use of qualifications in sifting for interview\(^1\) may help explain employers’ often-ambivalent attitudes towards their importance as they are used at a relatively early stage of the recruitment process, with their role becoming less critical afterwards compared to that of other factors and signifiers (Roe et al, 2006).

To summarise, a variety of things may be happening:

- Employers in general may be over-stating the importance they place on personal skills and characteristics in the R&S decision-making process, and/or under-stating the weight they attach to qualifications (Stasz, 1996);
- Employers in different sectors may place very different relative weighting on qualifications and personal characteristics and soft skills. It seems likely that sectors such as hotels and catering and retailing will value soft skills more highly than non-service sector employers (Nickson and Warhurst, 2007);
- Employers’ faith in the validity, reliability and value of qualifications in general, and in particular types of qualification, may vary quite widely when they are recruiting (see LSC, 2008 for some evidence that this is the case among large firms); and/or
- The emphasis that employers say (in surveys) that they place on soft and generic skills may matter more for young people than for adults (or vice versa). In other words, patterns of recruitment preference and applicant characteristic ranking for young entrants to the labour market may be different from those that apply to adult applicants to the same firm or sector.

Unfortunately, we currently have no real way of knowing which, if any, of these hypotheses might be correct and to which employers (size, sector) they might apply. If we are to understand what employers really value and why, and to construct meaningful aggregations of preference that can generate patterns that might inform policy choice, then we urgently need to undertake more cross-sectoral/occupational case studies of R&S activity and outcomes.

\(^1\) On the use of interviews, it is worth observing that in countries with extensive apprenticeship systems, the apprenticeship forms an extended interview (as did the Youth Training Scheme (YTS) in the 1980s in the UK). One of the consequences of having a relatively small work-based route for initial VET (particularly one where in areas such as retail and banking ‘apprenticeship’ is something that can be offered to existing employees) is that this selection device is much less readily available to managers.
How is recruitment and selection being undertaken?

The traditional personnel management textbook normally offers a universalistic, normative ‘best practice’ template of R&S which is implicitly modelled on the kind of R&S processes that have historically been adopted by large, Anglo-Saxon, private-sector organisations when recruiting graduate entry and professional and managerial staff. This model also finds favour with the professional bodies covering those engaged in the R&S process, such as the Chartered Institute of Personnel and Development and the British Psychological Society (Lockyer and Scholarios, 2007: 532). The best practice model prioritises particular characteristics within the process:

- Rationality, objectivity and validity (which are often assumed to be relatively unproblematic concepts – see Brown and Hesketh, 2004);
- Meritocracy;
- Matching - between supply and demand, and the individual applicant’s desires and abilities and the employer’s needs (see Powell, 1998); and
- Formalisation, bureaucracy and procedural rigour (in order to ensure objectivity, lack of bias, and the best outcome).

For instance, within the model there exist an array of taxonomies and techniques, both to identify and classify what skills and attributes are being sought, and to match and sift candidates against these criteria (Powell, 1998; Shippmann et al, 2000, Lievens et al, 2002). They include the use of detailed job descriptions, person specifications and competence profiles; psychometric testing; and assessment centres. Leaving aside any other considerations, such strategies are inherently expensive to deliver properly, require considerable expertise among those who must implement them, and implicitly assume that the organisation has access to specialist human resource or R&S staff (either in-house or bought in from an outside consultancy) (Lockyer and Scholarios, 2007).

What evidence we have available suggests that this classic, formalised textbook model of R&S activity is (Kersley et al, 2006), and always has been (Hedges, 1982; Windolf and Wood, 1988; Fevre, 1989), applied very patchily across firms, sectors and occupations. For many jobs available in the labour market, different models of R&S design and process actually seem to apply, not least in terms of identifying suitable applicants, as shown in Table 2 (Kersley et al, 2006: 72-73).

A key problem with much of the more prescriptive personnel management/HRM literature is that ‘informal’ practices that do not conform to its ‘ideal type’, best practice model are usually automatically assumed to be deficient. The problems are
generally viewed as two-fold. First, informal methods are seen as liable to lead to various forms of discrimination (Jewson and Mason, 1986; Fevre, 1989), and second, are deemed to be more likely to produce a poor fit between what the employer wants and what they end up recruiting. The tendency to use informal methods seems to occur more extensively in low- and semi-skilled occupations, which possibly aids the perception of informal methods as less rigorous or objective. Interestingly, economists have generally arrived at the opposite assumption in relation to informal R&S methods, reasoning that they are liable to yield more accurate and reliable information than more formalised methods and that they will therefore tend to be associated with higher paying and better quality work (see Pellizzari, 2004). Researchers in HR and economics appear blissfully unaware of this tension in their respective disciplines’ reading of how R&S works.

Table 2: Recruitment Channels

<table>
<thead>
<tr>
<th>Channel</th>
<th>% of workplaces using</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers</td>
<td>65%</td>
</tr>
<tr>
<td>Employment Service</td>
<td>57%</td>
</tr>
<tr>
<td>Internal notices</td>
<td>52%</td>
</tr>
<tr>
<td>Recommendations by existing employees</td>
<td>45%</td>
</tr>
<tr>
<td>Word of mouth</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: Kersley et al 2006

On the first objection, there is not space here to enter into this debate in detail. Perhaps the one point to make is that, as Brown and Hesketh (2004) note, highly formalised R&S systems are also liable to bias, as their many elements of their ‘objective’ scoring systems for candidates are ultimately subject to the human biases of the managers making the assessment of the candidates. On the second point, the tendency to expect sub-optimal ‘matching’ to be an outcome of less formalised R&S methods may well be misguided. Firstly, such practices are not solely the preserve of small companies. For example, in the Learning and Skills Council’s (LSC) sample of just over 200 large companies (5,000 plus staff), 30 per cent used word of mouth and nearly 20 per cent recommendations from existing employees (LSC, 2008: 27). Second, Lockyer and Scholarios (2004, 2007) report instances where there is a clear underlying logic to this ‘informality’; the R&S techniques being deployed are simple, and generate relatively robust and reliable information on the ability of candidates to perform the job.
A good example is the use of work trials in industries such as construction and hospitality whereby the candidate is given the job to do for a period of time and their performance is observed in terms of quality and speed of execution (see Carrington, 2002 for an example of work trials being used by sandwich retail chain Pret A Manger). There are obvious reasons why monitoring someone bricklaying, cleaning rooms, or preparing food in situ may produce more valid and reliable data on performance than an interview or a written test. As noted above, in countries with extensive apprenticeship systems, the apprenticeship offers a means of providing a very extensive ‘work trial’, and the growing use of internships for certain kinds of jobs in the UK suggests that the merits of this means of capturing information on candidates has not escaped employers here. For example, summer internships are now a, if not the, major route into investment banking graduate traineeship schemes (Creasey, 2009), though the social equity/mobility problems attendant on this development are also becoming apparent (Panel on Fair Access to the Professions, 2009).

Some writers have argued that in uncertain environments (such as construction) a trial process rather than a best practice model of R&S may tend to apply more frequently and make better sense (Windolf and Wood, 1988; Iles and Salaman, 1995; Lockyer and Scholarios, 2004, 2007), with managers using social networks to secure information on candidates’ abilities and work records. Thus, in these instances, ‘compared to formal methods, informal contacts are a better channel to transmit information between job applicants and potential employers’ (Pellizzari, 2008: 1). There is also evidence that within businesses run by ethnic minorities, a desire for co-ethnicity within the workforce and shared cultural values and norms is often satisfied via recruitment that relies on recommendations from existing workers and family members (Ram, 1994; Edwards and Ram, 2006).

Gallagher and O’Leary (2007) argue that this picture is set to change and that with the rise of the knowledge economy, the information exchange facilities generated by ICT, coupled with the growth of specialist R&S consultancies, mean that the gap between the elaborate recruitment model traditionally deployed for managerial, professional, and graduate trainee jobs in large organisations, and the much less rigorous and costly methods used for lower occupational groups, is being (or will be) eroded, especially as R&S activity gravitates towards more formalised, process and information rich models. Their evidence base for this assertion is slender, and is in
part founded on a very optimistic (knowledge-driven economy based) reading of what is happening to the nature of many lower level occupations and the jobs therein. Moreover Parry and Tyson (2008) suggest that there was little real increase in the number of organisations using electronic recruitment media between 2002 and 2006, and that such techniques tend to offer a supplement to, rather than a replacement of, more traditional methods and channels.

**Organisations’ Choice of Approach to R&S**

We know relatively little on a systematic basis about how or why organisations choose to use different combinations of these strategies, or what thinking underlies the placing of greater reliance on particular signifiers rather than others, though some of the results reported in the LSC study of recruitment and training in large firms (LSC, 2008) offers some pointers that are worthy of further exploratory research, particularly among small and medium sized organisations. The one powerful exception here is research on firms’ use of selection and psychometric tests (see Jenkins, 2001; Jenkins and Wolf, 2002). To very briefly summarise their findings, the use of such tests was found to correlate with the degree of formalisation of procedures within the workplace, with managerial and professional vacancies, and with jobs where there were high levels of off-the-job training (Jenkins and Wolf, 2002: 23). WERS suggests that personality tests are now being routinely used for some occupations in 19 per cent of workplaces, and performance tests are being used in R&S in 46 per cent of workplaces (Kersley et al, 2006:75-78). Personality testing seems to be concentrated in larger workplaces (often those with specialist human resource staff) and used upon professional, managerial, and sales staff; and performance testing concentrated again in larger workplaces but used for professional and administrative staff. Among the sample of large employers surveyed by the LSC (2008:33-35), the overall relative ranking of importance of different skill/suitability assessment methods was as follows:

1. Interview
2. Work experience
3. Performance/competency test
4. Qualifications
5. Assessment centre
6. Personality/aptitude test
The Role of Agency Workers

Another model, about which we again know relatively little, revolves around the growing use of agency work. As Hoque et al (2008: 389) note, the number of agency workers in Britain grew by 350 per cent between 1984 and 2005 (Forde and Slater, 2005), and 81 per cent of employers now appear to use agencies for temporary or permanent recruitment (CIPD, 2007).

In some sectors and industries, for example, cleaning, food manufacture, hotels, and call centres (Lloyd et al, 2008) agencies now act as an important means of entry. Here the use of tiered forms of employment – agency, temporary and core workforce – appears to be allowing management to use agency employment as a form of extended interview or screening mechanism (Beynon et al, 2002; James and Lloyd, 2008). The most enthusiastic, committed and suitable employees can be sifted out, and in part retained, through the promise of a move from agency employment into temporary employment in the firm, and, perhaps, ultimate employment in the core workforce (Lloyd et al, 2008). In some instances agency work now provides the only port of entry into the organisation for lower tier jobs (Beynon et al, 2002: 153). However, some agencies are making this R&S avenue difficult as they realise they are losing financially. Evidence from the food processing industry shows that some agencies have demanded ‘release’ fees of up to £3000 to allow a company to employ that agency worker directly. Not only is this a deterrent for the employer as a recruitment method but also hinders possible progression for the worker (James and Lloyd, 2008).

Outsourcing R&S Activity

One of the key developments in the R&S field in the UK over the last decade and a half has been a shift in who is undertaking it, a change reflected in a significant rise in the use of recruitment consultants and the outsourcing by large organisations of much of their R&S activity (Gallagher and O’Leary, 2007). The CIPD’s 2004 Recruitment, Retention and Turnover survey indicated that, within their sample of firms, 83 per cent had used an external recruitment consultancy or agency in that year. Meanwhile, REC and Ernst and Young (2006) report the turnover of the R&S consultancy industry has risen from £6.7 billion in 1994 to £23.5 billion in 2005. The bulk of this increase comes from recruitment for temporary positions (Gallagher and O’Leary, 2007: 26). These new intermediaries are seen as helping ‘connect supply with
demand’ (Gallagher and O’Leary, 2007: 15). Anecdotal evidence suggests that UK employers may make greater use of external consultants in undertaking R&S than is the case in many other developed countries, indicating that they are more willing to cede control over who is employed in their workplaces than are many of their counterparts elsewhere.

As Kirkpatrick et al (2009) and Hoque et al (2008) discuss, a further development has been the outsourcing of the procurement of agency staff to third parties who provide what is termed ‘vendor managed services’ (VMS) (Kirkpatrick et al, 2009) covering recruitment, payments to the agency, record keeping and payroll for agency staff. The VMS does not provide the staff themselves, but manages a market of agencies on behalf of its client.

This paper does not have the space to engage with the issues raised by R&S outsourcing and VMS in detail, but it is plain that HR outsourcing, not least of R&S activity, raises issues about the centrality of both staffing issues and the people management function within organisations. VMS, as Kirkpatrick et al (2009) note, also suggests the possibility of a commodification of labour supply and the development of ‘mass production’ models of agency staff management. Both developments also spark a range of questions about the different models of what an organisation is and the nature of the employment relationships it generates. Traditional models based around loyalty, motivation, commitment and attachment to particular workplace cultures, norms and values appear to be coming under contest by much more overtly financialised conceptions of the organisation as a shifting bundle of atomised, disaggregated assets (intellectual, plant, brands, real estate, and people) that can be leveraged and traded in manner more akin to commodities or sites on a Monopoly board (Froud et al, 2000). Within this latter model, the only loyalty is by senior management (the new and possibly sole constituent ‘core’ of the organisation) to maximising short-term profit and shareholder value. This new model plainly poses a number of major challenges for traditional education and training policies, not least in terms of securing any serious buy-in from organisations that subscribe to this vision to any long-term commitment to help support the government’s strategic vision for UK skills.
Why and with what effects is recruitment taking place?
Recruitment and selection determines the raw material that both the personnel function and line management work with. In other words, you can only retain, motivate and develop what you can recruit. R&S thus determines the characteristics and capabilities of the potential workforce.

In terms of connecting the supply of labour and skill with demand, the personnel management/HRM literature on R&S argues that the ideal and the norm is a sophisticated matching process wherein firms devise detailed profiles of what they want to recruit (often based around lists of competences) and then seek candidates that fit this. This model is also reflected at a much broader level by the government’s long-standing enthusiasm for trying to make the outputs of the English education and training system ‘match’, in terms of numbers, quality, and employer demand (Keep, 2002 and 2006). However, the information available concerning how firms plan their skill requirements is very limited. Liff (2000) details just how little we do know about this process of human resource planning, particularly in terms of case study research. Sparrow’s (2007) work on international recruitment in four case study firms is a notable exception to this. It is interesting to observe that in trying to obtain forecasts of future skill needs in England, the Learning and Skills Council (LSC), DfES (and now DCSF and DIUS), and Sector Skills Councils (SSC) have tended to rely upon consultants, occupational forecasting tools, and economic modelling techniques rather than any data generated within organisations.

Given this background, organisations are faced with making a number of critical strategic choices in terms of structuring their R&S activity and deciding what volume of it needs to take place. These include:

1. The use of internal labour markets (ILMs) and recruitment from within the existing workforce, or resort to the external labour market;
2. The balance between the cost of R&S activity and the cost of an employment offer that would reduce levels of labour turnover; and
3. Recruit or train (or to put it another way, make or buy). The main thrust of English public policy around education and training has centred on skill formation, with an implicit assumption that this will be the preferred option for the vast bulk of organisations, but in much of the service sector the mode of operation may be one of skill acquisition from the external labour market.

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2 See also the CBI, 2007 on the need to ensure that the number of students taking the different 14-19 Diplomas is ‘made’ to match employer demand.
Two key questions then are what drives the choice between formation or acquisition and between internal labour markets and external labour markets? In making these choices, an organisation’s options are liable to be constrained by the attractiveness of the job opportunities it has on offer. If the supply of labour, particularly good quality labour, is finite there will be a relative pecking order between organisations, sectors and occupations (see below).

For example, one trade-off that the employer has to think about is that between the relative costs of recruitment and retention. In much of the HRM literature high levels of labour turnover are seen as a ‘bad thing’ (Gallagher and O’Leary, 2007) and its cost to the firm is stressed. For example, the CIPD’s (2008) Annual Survey Report on Recruitment, Retention and Turnover indicated that the estimated average expenses associated with filling a single vacancy were £4,667 (rising to £5,800 when labour costs were factored in), and that 70 per cent of respondents to the survey thought that loss of staff was having a negative impact on business performance.

However, there is another side to this coin. In some instances (and given the data we have it is very hard to know how many) high levels of turnover, rather than indicating a failure of personnel management may reflect a conscious and calculated strategic trade-off between the cost of better pay, better working conditions, better designed and more interesting (although perhaps less productive) jobs versus the costs of R&S and the availability of labour (Beynon et al, 2002). For example, Lloyd (2007) provides an account of how the ready availability of appropriately qualified staff, not least recent graduates whose training costs have not been borne directly by employers, allows companies in the fitness industry to accept high levels of staff turnover and fashion R&S strategies to take account of this abundant supply of labour. Turnover will also get rid of burnt out staff, which are sometimes deemed an inevitable consequence of a favoured model of work organisation and job design that centres on stressful and repetitive work with little opportunity for progression (Beynon et al, 2002: 152-3). Thus, R&S activity levels may often be higher in a firm with a mass of low paid workers doing unattractive jobs, either within the organisation itself, or among the pool of agency workers from which the organisation draws staff to fill some or all of these positions (Beynon et al, 2002: 152-3). As Asset Skills (the SSC for the property services, housing, cleaning and facilities management sector) observes of the cleaning industry in its 2006 Skill Needs Assessment for the UK:
Turnover within cleaning staff is frequently reported as being very high with an average of three months length of stay often quoted. A case study produced by Asset Skills Research Team in 2005 reported an annual staff turnover rate of 70% amongst larger companies in the sector. Pay is considered to be an important factor in this. However, other factors impact on high turnover rates including the recruitment skills of employers, lack of long time (sic) investment in staff, staff shortages (which increase poaching), level of work intensity, management styles, and poor earnings potential. (Asset Skills, 2006: 7)

In industries and occupations where high levels of turnover are liable to be endemic, and where employers have become resigned to this, or even encourage it, there is liable to be an impact on how they design such jobs in order to increase standardisation and hence ease the process of staff replacement, and on their willingness to offer training to such employees (see EKOS Consulting, 2006).

At the same time, although the large, rigid organisational hierarchies that were associated with ILMs have thinned and flattened over the last two decades, there are signs that at least some large employers within sectors such as retailing and banking still offer opportunities for progression, albeit considerably more limited and spanning a smaller number of rungs in the organisational structure than of old (Grimshaw et al, 2002). Consequently, like the ‘death of the career’ and the end of the ‘job for life’ (Nolan and Wood, 2003), the demise of the internal labour market has possibly been overplayed.

This fact notwithstanding, one key shift that does seem to be occurring is the growing impact of a large supply of graduate entrants to the labour market as a result of the expansion of higher education. The ready supply of relatively highly qualified young labour in the external labour market appears, at least in some organisations, to be reducing opportunities for existing workers to move up from the shop floor (Lloyd et al, 2008). This in turn has implications for occupational, and ultimately social, mobility (Keep and Mayhew, 2004).

Furthermore, it is important to note that a counterbalance to some of the problems employers faced with R&S in the relatively tight labour market of 2000-2008 was created by the growing influx of migrant labour, not least from the EU accession states. This was seen as an important component in meeting employers’ staffing needs and one that allowed organisations in less ‘attractive’ sectors to acquire a quality of labour that would be impossible within the home labour market.
As noted above, one of the key consequences of choices about particular patterns of R&S is their impact on training. Organisations can opt for different mixes of R&S as against providing initial and continuing training in order to acquire the skills/human capital they believe themselves to need (see Shury et al, 2008). This R&S versus training balance will vary across firms, sectors, geographical areas, occupations and levels within the organisation, labour market conditions (tight or loose labour markets), labour market regulation regimes, and time.

A key question pertains to the factors determining where the balance of advantage to the organisation lies in choosing to place emphasis on the R&S or training routes. The range of different mixes will have massive impacts on:

- The operation of the education and training system (both internal to the organisation and external);
- Career structures, opportunities for progression and hence working life biographies;
- The pattern of rewards that accrue to different levels of human capital and different pathways within the education and training system;
- Who pays for training (individual, company or state);
- Who gets trained by their employer;
- Labour market configurations (i.e. balance between internal and external labour markets); and
- Judgement on how easy and cost-effective the required skills and attributes are to create through training, and which are not easily ‘trainable’ (e.g. soft skills, personal characteristics) therefore better or more cheaply acquired through R&S.

Unfortunately, we know relatively little about how much choice individual organisations of different types and sizes have over this mix, and what determines their preferences. We can speculate as to the range of actors that might influence firms’ choices, which include:

- The Government through labour market regulation, subsidy for training, and willingness to create skill through the education system;
- Unions through collective bargaining and/or co-determination (although their power has diminished over the last 20 years);
- History/cultural norms; and
- The supply of potential applicants within the labour market.

In more recent times the additional option of sub-contracting or offshoring the activity or process has also appeared. Lockyer and Scholarios (2007) illustrate within the construction sector how some building firms answer their recruitment difficulties
in various skilled trades by simply outsourcing the work. Plainly, the decision to shift or sub-contract the work from inside the organisation to an outside entity means that the skills required will now have to be assembled by another employer, possibly operating in a wholly different labour market.

Recruiting the ‘Best’?
As suggested above, much of the extant literature tends to assume that the aim is to recruit the best people for the job, whereas many organisations may be aiming to recruit the right people for their organisation and the job, which may not necessarily equal the best in some absolute sense (or at least the most qualified). In particular, there is a danger of over-specification and over-recruiting, leaving an organisation with people who are too good for the job, who will get bored, and then either leave or become de-moralised and disruptive (Beynon et al, 2002:154-55). There is also, of course, the opposite danger of under-recruiting, and thereby acquiring people who cannot do the job. The dilemma can be outlined thus:

<table>
<thead>
<tr>
<th>Overshoot</th>
<th>Undershoot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too many recruits</td>
<td>Too few recruits with jobs left empty – i.e. ‘skill shortage vacancies’</td>
</tr>
<tr>
<td>Too many applicants and the costs involved in sorting and choosing between them</td>
<td>Too few applicants leading to insufficient choice</td>
</tr>
<tr>
<td>Over-skilled recruits who may disrupt work processes or leave, producing turnover costs</td>
<td>Under-skilled recruits who cannot perform at the required level.</td>
</tr>
</tbody>
</table>

As a result of this, in some instances employers’ judgements of the particular requirements of the employment they have on offer lead to what might to some appear counter-intuitive selection and appointment patterns. As Beynon et al (2002) illustrate, the ‘best’ candidates may be the last people you want for the job. They describe a retailer who administered aptitude tests to applicants for retail assistant positions. The candidates scoring lowest in the tests were appointed on the grounds that the jobs were so limited and tedious that anyone with any real ability would soon become bored and leave.

The Conflict of Need(s)
R&S is a two-way process, and there is not simply a job queue for individuals with the most desirable at the head of the queue, and the less desirable individuals towards
the rear. The same rules apply to sectors and employers. As successive *Skills in England* surveys (see LSC, 2008) show, the number of job vacancies that are ‘hard to fill’ because the jobs in question are unattractive to job seekers (due to pay, conditions, unsocial working hours) far exceeds the number of vacancies which are hard to fill due to lack of appropriate skills. *The National Skills Strategy for the Hospitality, Leisure, Travel and Tourism Sector in England* notes in relation to the (lack of) appeal of working in the sector, ‘we have a poor image of low pay, no opportunity...’ (People 1st, 2007:29). This brings us to conflicting demand for labour and its consequences for employers.

If skill/labour is a key resource, particularly in labour intensive or skills intensive industries, then the attraction of a sufficient supply of suitable candidates becomes a critical issue. This is both an issue of volume of supply, but also, in some sectors and occupations, also one of adequate quality. In particular, the question of which employer, sector and occupation attracts and holds onto the ‘best’ people (however defined) can be important and has often been the focus for debate (see, for examples of general contributions, Ross, 1991; Getz, 1994; Reed, 2002; and for discussions concerning a specific sector (the voluntary sector), Barnard et al, 2004; Wilding et al, 2004; Nickson et al, 2008). These concerns are heightened if employers believe that at any given moment the supply of ‘good’ workers of the kind they are seeking is limited. In these circumstances, R&S becomes a ‘war for talent’ as it has been coined (Chambers et al, 1998). The issue is then which employers, occupations or sectors become the relative losers, in that they find it hard or even impossible to attract and retain the kind of workers they want in sufficient numbers, and what strategies are open to them to try and rectify this situation (see Nickson et al, 2008).

A classic example of this competition for labour arises with controversy over the labour market destinations of graduates from the Science, Technology, Engineering and Maths (STEM) subjects. Thus, engineering firms sometimes bemoan a ‘shortage’ of really good graduates seeking to enter their employment, whereas merchant banks, consultancy, and finance firms appear to be able to recruit such people as and when they are required. Relative differences in salary profiles and prospects are liable to be the chief explanation of this.

At present, in very general terms, the likely ‘losers’ in terms of relative power to attract and retain labour are:

- Manufacturing;
• Low margin, low pay sectors;
• Sectors with poor working conditions (e.g. unsocial hours); and
• Less glamorous occupations/sectors (see Lindsay and McQuaid, 2004; and Nickson et al, 2008).

As a result of this zero sum game for both numbers of young people, and for the brightest and the best among them (however defined), sectors have often invested considerable effort in seeking to alter young people’s perceptions of the ‘glamour and excitement’ (Department of Trade and Industry, 2000: 7) of the employment opportunities they have to offer. This occurs through a whole variety of education/industry liaison activities and schemes including teaching materials on the sector, work experience opportunities, business games, teacher secondments, promotional literature, talks, and ‘master-classes’ to students from those working in the sector. Such activity, however, is not simply confined to sectors and occupations that might expect to be among the ‘losers’. For example, accountants continue to obsess about the reputation that they believe that their profession has among young people for being boring (see Centre for Education and Industry, 2008: 6-7).

Definitions of any efficient or ‘optimal’ allocation between sectors or occupations are liable to be contested between different actors (including within and between categories, such as employers). This is because:

1. Individuals will be in positional competition for the best jobs;
2. Employers will be in positional competition for the best people; and
3. Society may want to maximise employment and/or productivity, and at the same time see socially vital functions (e.g. nursing, teaching, fire fighting, etc.) properly staffed.

This suggests that win/win/win scenarios will often be very hard to achieve and in those areas that this does occur, will often be unstable and unsustainable.

Though such considerations have always existed, and have been the focus of often heated debate over the last thirty years (see, for example, the Finniston Report on engineering, 1980), it is possible that the changing structure of relative reward within UK professional and managerial occupations has in recent times threatened to produce a form of paradigm shift in their comparative attractiveness to the brightest young people. Put simply, the soaring rewards on offer in banking, finance, and business consulting may have made it increasingly difficult to attract really bright candidates into professions such as public service, academia and medicine. As Max Hastings (2007:30) argued:
In the next generation, the only social division likely to matter in Britain will be between those taking huge sums home from the City, and those earning relatively paltry amounts outside it. A decision at the outset of one’s career to become a doctor, or a journalist, or civil servant comes close to ensuring that one can never hope to share an upper-middle class lifestyle that will be the almost exclusive prerogative of entrepreneurs, bankers, management consultants, and inheritors of wealth. This has always been true to some degree, but in future there will be a near apartheid distinction.

However, with the recent change in economic circumstances, this situation may be reversed somewhat as we see redundancies in these sectors. This, in turn, may make the less (financially) lucrative employment opportunities more palatable for their job security, though the duration of this respite may be relatively short.

In terms of those employers, sectors, and occupations that tend to be losers, the cry, as noted above, is often that better work experience and information, advice and guidance is somehow the answer (CBI, 2007), and that if only schools, teachers, and careers advisors did not push young people in the ‘wrong’ direction (that is, for example, away from ‘dirty’ manufacturing jobs), all would be well and the evident delights of the sector and occupation would become apparent. Moreover, the CBI (2007) highlights the latest instalment of employer angst on patterns of students’ choice of A-Level and degree subjects and answers the ‘problem’ with the suggestion of more public subsidy to provide incentives to students to make the ‘right’ choice.

Another big issue for many employers is their ability to acquire young people below degree level in a world where mass higher education is driving the top half of the ability range more and more towards the pursuit of a degree. Their desire to do this is, in part, a reflection of the tendency for recruitment patterns and profiles to become ‘imprinted’ over time, making adjustment hard to conceive of and achieve. Two decades ago, it was relatively easy to attract bright 16-year olds with five good O-Levels into jobs. Today the vast majority of such youngsters (now holding GCSEs) are locked into choices that aim to take them through ‘A’ Levels and into higher education. Thus, the move to mass higher education has radically altered the talent pool from which firms are trying to recruit at both 16 and 18.

Some employers have found it hard to adjust to this new reality, claiming that the quality of school leavers has fallen sharply, without realising that the pool of school leavers in which they are ‘fishing’ for staff is radically different in composition from the much wider pool available twenty years ago. In other instances, employers
are seeking to actively dissuade young people from entering higher education, and instead are holding out the prospect that apprenticeships and other forms of in-company training offer comparable long-term prospects. For example, a recent advertisement by Tesco in Source (a magazine produced for students across Scotland) read:

**Who says you look better with a degree?**

Management careers. We think you look great just as you are – with your three A-level grade A-D (or equivalent) and GCSE Maths and English grade A-C. After all, these qualifications will take you just as far in your career with Tesco as you want to go. In fact, one of our main Board Directors joined us as a school leaver, so you can see the sky’s the limit. Visit www.tesco-careers.com/alevel-options for more information about building your career with Britain’s No.1 retailer. (Source, Autumn 2009: 11)

**Conclusions**

The relatively brief review of the field of R&S research presented above raises a number of issues in terms of challenges to policy and the potential shape of a future research agenda. The more important of these are discussed below. The interaction between R&S strategies and activity and the labour market is obviously going to take place in both directions. R&S is the process through which individuals seek to exchange their skills, qualifications, experience and attributes for work and pay. Hence, R&S is the point at which the labour market becomes a market in which both individual workers and firms bargain to establish exchange rates for different levels and combinations of skills and qualification. Thus the choices made by firms when recruiting labour and the pattern of preferences that this signals to prospective employees establishes incentives that plainly feed through into things such as students’ choice of courses and institutions (see Keep, 2009a for a more detailed discussion of the role of incentives created within the labour market and their impact on individuals’ motivation to engage in education and training).

**R&S as the Locus of Positional Conflict**

For instance, we know high-flying graduate students read the labour market and structure their behaviour in response (Brown and Hesketh, 2004). However, as Brown (2003), Brown and Hesketh (2004), and Schuller (2004) indicate, increasing levels of qualification across the workforce often make it harder and harder for those with
lower/no qualifications to enter into and progress within employment. At the same time, the supply of good jobs (those with higher levels of job security, pay, intrinsic interest, social status and opportunities for progression) is, at any given moment and at present, normally substantially outstripped by the numbers of suitably qualified candidates wishing to enter them. This situation has two effects.

First, as noted above, if there is a surfeit of qualified applicants, qualification alone ceases to have much impact on the recruitment decision. The criteria for choice come to rest on other attributes by which the recruiter can rank the relative attractiveness of the candidates – appearance, social capital, soft and generic skills – which as various writers have noted, are often a proxy for middle or upper-middle classness (Nickson and Warhurst, 2001; Brown, 2003; Brown and Hesketh, 2004).

Second, in these circumstances a zero sum game positional conflict is being played out within the R&S process, wherein good and bad (and no) opportunities are allocated (Brown, 2003; Brown and Hesketh, 2004). Patterns of employer preference (for types and levels of qualification, educational institutions, and particular sorts of soft skills) therefore matter greatly to individuals seeking employment opportunities. Such considerations are all the more powerful in a society where parental social class plays such a powerful role in determining educational routes and attainment, and where issues of social mobility and fluidity (or the apparent lack of them) are a source of growing concern. As Goldthorpe and Jackson (2007) note, if we want upward social (and implicitly occupational) fluidity for children from lower socio-economic backgrounds, then we have to accept that, at any given moment downward mobility for the sons and daughters of the upper social classes will be required in compensation; an outcome which may not be embraced all that enthusiastically by politicians obsessed by appealing to ‘middle Britain’ (2007: 541-3). Looked at from this perspective, in marked contrast to the traditional technocratic model of R&S as a semi-scientific matching process dominated by human capital, a very different model of R&S emerges: one dominated by issues of power, choice, social capital and the politics (with a small ‘p’) of class.

**Problems With and For Qualifications**

It is also apparent from elements of the R&S research that some of the assumptions about the importance of certified units of human capital, upon which much English education and training policy has been founded, are possibly over-optimistic in
ascribing a value to qualifications that is not universally shared by every employer with regard to their use of all types of qualification in determining who gets particular jobs. Meritocratic models that assume that the best qualified candidate will get the post appear, at best, only partially correct and in need of qualification (in the other sense of the word).

As discussed in much greater detail elsewhere (Keep, 2009a), the evidence available suggests fairly clearly that higher level qualifications on the whole have considerably more hold on R&S decisions and carry a larger wage premium than lower ones, and that, in most circumstances, a vocational award at a given level will produce a smaller wage premium than an academic award at the same level (Vignoles and Powdthavee, 2006; Dickerson and Vignoles, 2007; Jenkins et al, 2007). The reasons for this limited hold by some qualifications on R&S for some jobs (see LSC, 2008), and employers’ apparent preference for academic rather than vocational awards as a signifier of ability or merit, cannot be explored in further detail in this paper. As noted above, the main problems appear to be limited skill needs in some lower end occupations; the growing importance of soft and inter-personal skills and personality traits, for which formal qualifications are regarded as a poor proxy by employers; and, as noted above, ‘informal’ approaches to R&S that downplay the importance of qualifications in the R&S process in favour of other criteria and signifiers of desired characteristics (Keep, 2009a).

The important point to note is that in general policy makers have tended to either simply ignore this reality, or assume that qualifications reform will be able to produce better outcomes in future. The interesting question that arises around the latter assumption is whether, given the product/service specifications and resultant production technologies, work organisation, and job design that shape certain kinds of lower end work (see, for instance that discussed by Lloyd and Payne, 2008), some jobs have any substantive component of hard skills of the kind that are amenable to certification via formal qualifications and therefore whether any kind of vocational certification based around the skills needed to do them (often inter-person characteristics that are semi-ubiquitous across the population) is liable to have much purchase on labour market outcomes (i.e. R&S decisions) or wages levels.

For example, there are reasons for doubting if, in some of its ‘occupational lines’ the new 14-19 Diploma will prove able to generate positive wage premia, never mind the illusive goal of ‘parity of esteem’ with academic qualifications at Levels 2
and 3 (Keep, 2009b). Put bluntly, the problem may not be qualification design per se, but impoverished conceptions of occupational identity, and resultant job content and skill levels that in some instances are so limited that there is relatively little real learning to put inside the qualification box. There is research evidence that suggests that, for some occupations at least, UK conceptions of the breadth, depth and type(s) of learning required are significantly attenuated compared to continental European norms (Brockmann et al, 2008).

This problem is liable to be all the more acute in the context of a UK labour market that, compared to many other OECD countries, has two distinctive features. First, it is comparatively unregulated and licence to practice regulation (outside of the professions) remains relatively rare, with the effect that minimum qualification requirements are often not mandated by forces external to the individual employer. Second, it lacks the substantive forms of workplace co-determination or sectoral bargaining between employers and unions that in other countries set minimum qualification entry standards for jobs (Windolf and Wood, 1988). As a result of these two factors, in many sectors and for many occupations/job types individual UK employers have a latitude not afforded their European counterparts, and are often free to choose to specify whatever type and level of qualification they wish as an entry requirement, or indeed as is often the case to choose to specify no qualification at all.

Given these tensions, one of the key messages from this review is that there are significant gaps in our knowledge, particularly in terms of issues around the how, why or strategic intent of R&S within individual firms and sectors. We know relatively little on a systematic basis about:

- How employers (and who within organisations) make choices about R&S, and between R&S and other sources of skill acquisition;
- How R&S activity is conducted, by whom (personnel specialists, line managers or outside agencies), and with what effect for wide swathes of the economy and the occupational structure.
- The extent to which R&S preferences and patterns are tied, implicitly or explicitly, to organisations’ product market and competitive strategies, and to various forms of labour market and product market regulation, and why this is or is not the case;

and we could also usefully increase the depth of our understanding concerning:

- The pattern of ‘hold’ that qualifications have over R&S decision making in different sectors and occupations and the reasons for this;
• The understandings that employers have of various qualifications and what they believe them to signify or act as a proxy for;

• What view employers have on the inherent ‘trainability’ of soft, generic or interpersonal skills and what has shaped their opinions on this topic; and

• Whether employers’ recruitment criteria differ markedly between the recruitment of young entrants to the labour force and adult workers.

What we do know is often confined to particular, relatively small segments of the economy and the labour market. Much of it is also based on large scale surveys, the responses to which have not been verified by other forms of research, and which offer descriptions or quantifications of particular types of R&S activity without necessarily being able to explain what lies behind the patterns it reveals. One of the rare exceptions that combines survey and case study work and which offers some valuable insights into the reasoning and behaviour of firms, is provided by the LSC’s research on R&S in large firms (LSC, 2008). Without more research of this kind, we are left with a variety of puzzles about causation.

Furthermore, promotion and progression is another, related area that is extremely under-researched: how are decisions reached regarding the choice of those among the workforce who will benefit from subsequent opportunities? We know something about the gateway into the organisation, but what determines who rises within the organisation is a topic about which we know far less than we ought. This lacuna is important for a number of reasons.

First, policy is concerned about social mobility and about workers becoming trapped in low paid, dead end employment, and has decided (largely on economic evidence about the return to qualifications – see Keep, 2008) that the answer lies with the publicly-funded provision of better training and accreditation of prior learning via schemes such as Train to Gain. The assumption is that once workers reach a minimum platform of certified learning (Level 2), employers and individuals will both see the economic case for subsequent investment that will allow workers to progress up the job hierarchy. Given this assumption, the actual ability of training and qualifications to release workers from the dead end trap becomes an important issue.

The range of research we have available on this point is patchy (see, Baron et al, 1986; Grimshaw et al, 2002; Atkinson and Williams, 2003; Green et al, 2004; Hoggart et al, 2006; Tomlinson, 2006), but some findings suggest that there may be problems with policy makers’ perceptions of reality. As Grimshaw et al (2002) illustrate, although ILMs have not vanished, the chances of progressing from the
shopfloor to supervisory and then managerial positions are far fewer and very
different in character from those that existed in the past. For example, in the retail
chain they studied, 95 per cent of the stores’ workforce were sales assistants, just
three per cent were section managers, and two per cent senior managers. Moreover,
the role that formalised training (formal and informal) and qualifications plays in the
process of allocating these opportunities is not straightforward. It is also the case that
the evidence on the wage returns to adults who acquire qualifications once in the
labour market suggests that significant progression (at least in terms of wages) may be
difficult to achieve (see, Wolf et al, 2006).

Second, who progresses and why they progress is important because there is a
widespread tendency to impute lifelong effects (not least to earnings) to qualifications
obtained prior to entry to the organisation, yet we appear to understand relatively little
about how such qualifications figure in subsequent decisions about progress and
promotion, nor do we appear to factor in qualifications obtained after entry. For
example, is it the academic degree that is a prerequisite for study for most forms of
accountancy qualification, or the accountancy qualification itself (or some weighted
combination of the two qualifications), that generates subsequent lifetime earnings
effects? In other words, we might argue that human capital is being valued in two
sequential stages within any organisation:

1. At recruitment/on entry, which is a one-off process; and
2. In a series of subsequent promotion, progression, and development
decisions, that is part of an on-going process.

There is a paucity of contemporary research on stage 2. The material that the
authors are aware of relates in the main to the progress of female staff and minority
groups (see, for example, Grimshaw and Rubery, 2001; Green et al, 2004; Fagan et al,
2005; Tomlinson, 2006; Matthew and Ruhs, 2007). The majority of this work has
been commissioned by agencies and lobby groups with an interest in equity and
discrimination issues. However, mainstream personnel management, HRM, or even
general management studies research in the UK is very hard to find, although two
excellent historical examples are Lee and Piper (1988, 1989).

This in turn raises the issue of how approaches to R&S research are framed in
terms of a temporal dimension. It is perfectly possible to view R&S as a discrete
process or event that takes place at that moment in time when the meeting and
negotiation between an individual and an organisation takes place around a decision
to hire (and be hired), which can be studied in isolation from what precedes or follows it. Much of the psychological and personnel management research on the topic adopts precisely this standpoint. However, it is equally possible to see the process of R&S as simply a stage or link in a much longer chain of processes, causation and decisions that underpin occupational choice and career histories (both within and between individual organisations). Thus, for the candidate, arrival at a job interview has, lying behind it, a myriad of choices (conscious and unconscious) about education and training investments, modes and levels of learning, and about career preferences and personal identity (Ball, Maguire and Macrae, 2000; Bloomer and Hodkinson, 2000); and in terms of the employer’s person specification and recruitment preferences, a number of higher level strategic choices about product and service specification, employee relations, work organisation, job design and the relative advantages of ‘train or hire’ strategies towards skill.

In concluding, an important caveat to all of the above, and one that is worth reiterating, is the importance of moving beyond single unit and category analyses. To treat the entire workforce and all employers as a single, unified, relatively homogeneous phenomenon when thinking about R&S appears, at least on the basis of the evidence presented in this paper, to make very little sense. Besides sector, occupation, and firm size differences, we need to bear in mind that the concept of a single category labelled ‘employer’ can be highly misleading, particularly as evidence shows the employer viewpoint is liable to be varied (Huddleston and Keep, 1999; Gleeson and Keep, 2004; EKOS Consulting, 2006). For instance, the responses to a survey on R&S policies, practices and outcomes may be very different as between the chief executive or company owner, line manager or supervisor, or personnel manager even within the same organisation.

Given the importance of R&S activity to a number of major debates and issues within education and training research and policy, this paper argues the need for a re-focusing of research effort to try and plug some of the gaps that have been identified above. As was suggested in the introduction, in addressing the list of under or un-researched topics, there would be great value in seeking to do this through the creation of more multi-disciplinary approaches and research teams. The other key ingredient for progress is liable to be the willingness of those who commission research, particularly that relating to policy, to fund work that moves beyond large
scale surveys and tries to delve into the interplay of different actors, labour markets, practices and incentive structures.

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