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Evaluation of Jobs Growth Wales 2015 to 2019

Summary

1. Introduction

- 1.1 In March 2017 the Welsh Government (WG) commissioned Wavehill to undertake an evaluation of the Jobs Growth Wales (2015-19) Programme. Jobs Growth Wales (JGW) sought to engage unemployed young people aged 16-24 with the aim of giving them valuable work experience for a 6-month period paid at or above National Minimum Wage (NMW) between 25 and 40 hours per week.
- 1.2 JGW secured £53m of investment (of which £25m was ESF funding), with a target of providing employment opportunities to 9,000 participants over the 2015-19 period.

The Evaluation

- 1.3 The aim of the evaluation was to assess the effectiveness, efficiency and impact of the 2015 -2019 Jobs Growth Wales programme for the period June 2015 to September 2019. The evaluation has been delivered over three phases.
- 1.4 The evaluation involved a thorough review of policy and programme-related documentation, along with consultations with representatives of the WG and the Department for Work and Pensions (DWP), JGW Contract Managers within the six Managing Agents (MAs), representatives of the Regional Learning and Skills Partnerships and those involved with managing and delivery the programme. An extensive literature review was also conducted to update that undertaken for the previous Programme.
- 1.5 Employers were engaged at various stages; 28 participated in a process-orientated interview whilst in the midst of a work placement and 62 employers were interviewed who had been unsuccessful in recruiting a JGW participant. A further set of employers were interviewed (246) and re-interviewed (140) six months later to understand their experience and perceived impact of participating in JGW.
- 1.6 There were 61 young people engaged in a telephone survey whilst in the midst of their placement and data was obtained from the ESF Participants Survey which engaged with 248 JGW participants 12 months following their completion of a work opportunity.
- 1.7 To inform the assessment of impact arising from participation in JGW, a comparison group of 405 young people who registered and completed their application on the JGW website but, after a period of three months, had been unsuccessful in securing a work opportunity through JGW were recruited for the evaluation. Of that group, 178 were re-interviewed 12 months later to ensure a comparable time lapse with those participants engaged through the ESF Participants Survey.
- 1.8 To explore the effectiveness of the programme, impact analyses were developed that compared the outcomes of those in the intervention with those in a matched comparison, using propensity score matching. This approach provided a sample of 247 participants of JGW (the intervention group) and

177 survey respondents from the comparison group. Evidence gathered through the impact analysis was used to assess the monetary impacts of the programme through cost benefit analysis.

- 1.9 There are several limitations with the methodological approach adopted (including the matching of the comparison group), which included selection bias as employers may choose participants who are likely to be the most productive within a work environment. This, alongside other limitations, mean that the findings from the impact assessment should be interpreted with a degree of caution.

Project Origin

- 1.10 JGW was originally established in response to evidence that young people were disproportionately exposed to the impacts of the financial crash of 2008 which led to peaks in rates of unemployment for the 16-24 year olds in 2011-12, just prior to the commencement of the first JGW programme. Since then, and prior to the commencement of the 2015-19 programme, there were substantial falls in rates of unemployment, reflecting a change in the economic climate. This, along with findings from the evaluation of the 2012-15 Programme, influenced the design of the 2015-19 programme.
- 1.11 Amendments to the design included a removal of strands that supported young people to start a business, that targeted graduates, and that supported young people to access third sector opportunities. There was also a reduction in the wage subsidy for participant business from 100% to 50% of the NMW in August 2016 and a reduction in the number of MAs appointed to the programme.

2. Key Findings

Delivering JGW – Promotion and Engagement

- 2.1 A 'soft' launch (with limited promotion), a three-month delay and challenges associated with the employer referral route led to a loss of early momentum for the 2015-19 programme. Employers became aware of the programme through a variety of ways but most commonly through word of mouth or from another business. Almost two thirds (63 per cent) were microbusiness, primarily from the creative industries, retail, manufacturing, construction and education sectors.
- 2.2 In terms of the profile of participants, those engaging with JGW represented a similar degree of ethnic diversity to the wider economically active population of Wales. The gender split was comparable with the eligible population (16-24 year olds who are NEET) across Wales. When compared to the 2012-15 programme, participants from 2015-19 had been out of work longer and had lower qualifications, illustrating that the latest programme has been successful in targeting harder to reach participants.
- 2.3 Whilst the backgrounds of the comparison group and participant group (in terms of qualifications, work experience, and length of unemployment) were very similar, their journeys into JGW differed. with the comparison group being much more likely to be referred by Jobcentre Plus or Careers Wales.

Delivering Jobs Growth Wales – Job Opportunities

- 2.4 Where participants received advice from Careers Wales (CW) prior to applying for roles, for the majority this influenced the sector and occupation for which they applied. MAs were not required to provide advice to participants, who could self-refer, they mainly provided support to participants where a prior relationship existed. However, where support was received prior to application (regardless of the origin of that support), over 90 per cent of participants felt that it played a role in them securing a JGW opportunity.
- 2.5 A participant's personal attributes were considered by employers to be the most important factor when deciding to which candidates to offer a position. Meanwhile, almost one third of employers described poor communication skills or confidence as being a key issue amongst unsuccessful candidates.

- 2.6 Where young people were unsuccessful with their job applications, 10 per cent received support or guidance from MAs and 16 per cent from CW afterwards. Where advice was provided, around 90 per cent found it to be useful.
- 2.7 In terms of support during their work placement, the majority of employers felt that the participants whom they employed required comparable levels of training (61 per cent) and similar levels of supervision (53 per cent) to those employees recruited outside of the JGW programme.
- 2.8 Where participants left a placement early, this typically was a result of them securing another position or where that there had been a disagreement with their employer. Where disagreements had arisen, MAs often felt they were made aware of the issues too late to play a role in securing a resolution.

Outcomes and Reported Impact of the Programme

- 2.9 A reprofile of the programme took place in 2018 which led to a reduction in profiled expenditure and a corresponding reduction in indicator targets. By September 2019, a total of 3,989 young people had been supported into a work placement through JGW, surpassing the revised targets for the programme.
- 2.10 When compared to the 2012-15 programme, the 2015-19 programme has had fewer applicants per employment opportunity and a lower proportion of opportunities filled, but where they have been filled they are more likely to be completed with a positive outcome. Furthermore, participants of the 2015-19 programme have sustained high rates of employment following completion of their placement, with employment rates amongst the participant group rising to 84.6 per cent 12 months after completing their placement
- 2.11 Employability skills (communication, organisational, problem solving, teamwork and customer handling skills) along with job-specific skills were the most commonly cited by participants as being skills that they had gained through their work placement. In addition, almost three quarters (72 per cent) of employed participants felt that their work placement played a role in them securing their current position
- 2.12 Employers also benefitted from JGW placements because they helped to cope with workload, reduced wage bills, and recruitment costs. The placements also helped more than two thirds of participant employers to grow. Furthermore, the majority of employers (58 per cent) were more likely to recruit a young person aged 16-24 as a result of their participation in the JGW programme.
- 2.13 For those who were unsuccessful in securing placements through JGW, the young people could be broadly categorised into two groups. One cohort, close to the labour market, who were likely to secure an alternative means of employment, and another cohort, further from the labour market with additional barriers to employment. The latter showed less evidence of progress towards the labour market with less than 40 per cent who had been out of work for more than three months when applying to JGW, in employment 18 months later.

Counterfactual Impact Assessment and Cost Benefit Analysis

- 2.14 The evidence suggests that participating in the JGW programme accelerates a participant's journey into employment and their in-work progression when compared to those who had not secured a position. At 18 months post-application there remains a 21-percentage-point difference in the rates of employment between those who secured a job opportunity through JGW and those who did not. Eighteen months after applying to JGW, those who participated in JGW were earning over £3,000 per annum more than employed individuals who had not secured a placement through the programme. Furthermore, JGW participants were more likely to be in a secure role (permanent or a fixed term contract of over 12 months) than were employed participants of the comparison group.
- 2.15 Applying a return on investment approach similar to that applied in the 2012-15 evaluation identifies a return on investment of £2.41 per £1 of WG expenditure, rising to £2.61 when benefit payments are included in the analysis. Conducting a wider social cost benefit analysis of the programme

identifies that JGW participants are net beneficiaries of an estimated £9,900 each, and employers £1,800 each.

3. Conclusions/Recommendations

Design and Implementation

- 3.1 The 2015-19 JGW Programme represented a shift in design of an existing flagship model for overcoming employability barriers and was more streamlined in structure than the 2012–15 Programme, which aided the coordination and consistency of delivery, operating with a tightened eligibility criterion for both participants and employers.
- 3.2 The programme commenced several months after the closure of the 2012-15 programme and initially suffered from a lack of clarity surrounding the approach to delivery, as well as an associated lack of active promotion and marketing. The Business Wales Gateway team were seen to be a key route in engaging employers; however, this approach provided few initial referrals and was met with much frustration from MAs.
- 3.3 At a relatively early stage, following the launch of the operation, the decision was made to reduce the level of wage subsidy from 100 per cent to 50 per cent of the NMW. Given the recovering economy and the tightening labour market, this was an entirely appropriate decision, however its timing, partway through the operation, served to heighten concerns surrounding a lack of clarity associated with the JGW offer.
- 3.4 Collectively, these elements led to a loss of momentum for JGW, which necessitated more active marketing by MAs and, ultimately a national marketing campaign by the WG.

Recommendations

1. To help build early momentum in future employment programmes, clear guidance and a detailed operational delivery model should be established prior to programme launch.
2. To mitigate unintended, negative impacts arising on employment programmes, where changes to delivery models are proposed and implemented, these should be undertaken in a staged process, piloting new ways of operation prior to rolling out across Wales.

Delivery

- 3.5 Whilst JGW has operated with a lower profile of delivery than was anticipated, the active marketing of the operation appears to have been successful. Of the employers engaged, 69 per cent (167/243) stated that they had not previously been involved in government-funded training programmes.
- 3.6 Strict eligibility criteria were applied for employers and required a more extensive due diligence process which led to an increase in the quality and sustainability of opportunities provided when compared to the 2012-15 Programme. At the culmination of their placement almost three quarters of participants (74 per cent; 163/221) had secured employment. The majority of these (71 per cent; 116/163) were with the same employer with whom they had secured the JGW placement.
- 3.7 The scrutiny of interested employers was largely delegated to the MAs and illustrated a good degree of trust and partnership in the delivery model. This was undermined somewhat by the request that the judgement for multiple posts be ultimately left to the WG which left some MAs feeling slightly disempowered.

Recommendation

3. To increase the efficiency of programme delivery, MAs or work-based learning providers should be provided greater autonomy across future delivery models to undertake due diligence. This should be integrated within a robust and comprehensive monitoring system to identify any patterns of approach and delivery.
- 3.8 The additional restrictions on participant eligibility were successful in securing the desired profile of participants: further from the labour market, less qualified on average, and experiencing longer

periods of unemployment than participants in the previous programme. The strict unemployment criteria, however, which for much of the programme required participants to be unemployed rather than underemployed (working less than 16 hours), created challenges in obtaining an eligibility status, particularly for 18-24 year-olds who were required to be registered as unemployed. Securing an eligibility status was problematic, often taking several weeks. It also acted as a disincentive for some participants with respect to engaging with the programme, with some reportedly being reluctant to register as unemployed.

Recommendations

4. Encouraging adults to register as unemployed (driven by strict criteria for engagement in employability programmes) acts as an additional barrier to engagement and should, where possible, be avoided.

5. The broader eligibility criteria which accommodates underemployment (less than 16 hours per week) should be adopted for future employability programmes.

- 3.9 Where participants were given guidance and support by CW prior to applying for a placement, this led to a change in the aspired job type (65 per cent; 172/265) or career direction (62 per cent; 164/263) for the majority of participants. This suggests that for a large proportion of participants, there was a lack of clarity on career direction or realistic expectations of appropriate employment opportunities before engaging with the JGW.

Recommendation

6. Given its apparent positive impact and influence on career direction, careers advice should form part of early engagement in future employability programmes.

- 3.10 The model of delivery for JGW was intentionally streamlined, enabling participants to self-refer, register and apply for opportunities with little or no engagement with an MA, Careers Wales or Jobcentre Plus. Unfortunately, the successful shift to engaging participants who were harder to reach and further from the labour market, combined with a streamlined offer with little or no diagnostic of needs (or associated support), meant that for a significant proportion of those who did not participate in a JGW job, JGW was an inappropriate intervention in which to participate. This also had methodological implications for the evaluation and particularly those within the comparison group who the intervention was most inappropriate for.

Recommendation

7. In order to ensure that the individual is referred to the appropriate nature of support that reflects their situation, participation in employability programmes should involve a form of registration, initial engagement and diagnosis of needs/barriers.

- 3.11 For those who did not secure a JGW opportunity there appear to be two cohorts: one close to the labour market who rapidly found employment elsewhere, and another who had applied for multiple opportunities and where a substantial minority remain unemployed. For this cohort, their need for additional support was particularly acute, but as outlined previously, was not met through this streamlined offer. MAs recognised this issue and the most common suggestion for improving JGW was the integration of training support; this was also reflected in the findings within the literature review.

Recommendations

8. In order to broaden the usefulness of an intervention to a wider eligible population, where future wage subsidy interventions are planned, these should be effectively integrated within a wider suite of employability support.

Outcome and Achievements

- 3.12 Analysis of qualifications, length of unemployment, age, gender and geography identified few, if any patterns that would help to determine whether an individual was more likely to secure employment

through JGW. However, feedback on the key traits sought by employers was consistently linked to softer skills associated with self-confidence, attitude, enthusiasm and aspiration. Moreover, these skillsets were the most prominent as areas that participants felt had improved as a result of their participation in JGW.

Recommendations

9. Given their apparent influence on employability prospects, future employability schemes should place emphasis on providing support that helps to manage expectations, boost aspirations, strengthen communication and address negative attitudinal behaviours amongst participants.

10. To improve understanding of impact, monitoring for future employability schemes should capture objective, informed assessments of employability skills that could act as supplementary matching indicators in addition to the more traditional socioeconomic traits (unemployment length, qualifications etc.)

- 3.13 The JGW programme has supported almost 4,000 participants into employment and has secured a high rate of placement completions. High employment rates of participants were sustained following these completions, suggesting that the programme has been effective in securing sustainable job opportunities. The likelihood of sustained employment beyond the period of evaluation is also very high with 85 per cent of those in employment on a permanent or fixed-term (over 12 months) employment contract.

Cross Cutting Themes

- 3.14 Collectively, the outcomes achieved by JGW participants illustrates the substantial journey the participants have been on and, in doing so, have made tangible contributions to the CCT of Tackling Poverty. The outcomes also illustrate the programme's contribution to the Well-being of Future Generations Act through substantial improvements to the prosperity of the participants and (in all likelihood) their families.
- 3.15 In terms of gender mainstreaming, the existing Management Information provides insufficient evidence to enable a judgement of JGW's success in fulfilling this aspect of the CCTs.

Recommendation 11. To better understand gender mainstreaming, capturing the sector of the organisation where an employment role is taken up by successful applicants will enable the identification of where participants have secured employment in industries in which their gender may be underrepresented.

- 3.16 The 2016 report (of the evaluation of the JGW 2012-15 Programme) recommended the collection of data related to the language needs of vacancies to give further insight into where Welsh language opportunities exist for young people. Evidence on Welsh language needs, however, was primarily captured through the evaluation (rather than through Programme monitoring), thereby suggesting that this particular recommendation was not fulfilled.
- 3.17 The prominence of the Welsh language in the day-to-day operations of the private sector employers who participated in the evaluation is, in the context of the Welsh Language Strategy, a positive sign.
- 3.18 Over one third of employers (36 per cent) described how securing a participant with Welsh language skills was either somewhat important or very important to them. However, there would appear to be skills shortages amongst young people in relation to Welsh language capabilities with less than half of those businesses who cite Welsh language skills as important to their business, able to recruit someone with those skills and a fifth of the comparison group citing their lack of fluent Welsh as being a barrier to them gaining employment.

Recommendations

12. In order to increase levels (and depth) of take up, the economic opportunities of the Welsh language should be promoted to young people.

13. In order to better understand the perceived prevalence of this barrier, the Welsh language should be included in the ESF Participants Survey as an option when asked 'which, if any, of the following things make it difficult currently for you to find work'.

Impact

- 3.19 The results of the impact analysis suggest that JGW had a short-term effect on the employability of participants. Six months following the initial application for a JGW vacancy, it is estimated that 30.8 per cent of participants would not have been in work or training without the programme. The impacts are sustained at 18 months, improving employment and training outcomes for almost one quarter (23.8 per cent) of participants.
- 3.20 The sustained employment and work progression rates of JGW participants is particularly impressive. Participants who secured a JGW opportunity and at re-interview were employed earned on average over £3,000 more annually than those in employment amongst the comparison group.
- 3.21 Due to the design of the evaluation, including the 12-month follow-up through the ESF Participants Survey, this evaluation was not sensitive to the possible longer-term impacts of participation in JGW. It is possible that with more time the observed variation in the outcomes between the intervention and matched comparison groups could have dissipated. The results do suggest, however, that at 18 months, JGW had a meaningful and sustained impact on the outcomes of participants, including for both earnings progression and employment. Collectively, this suggests that the refinements to the design of the JGW programme have resulted in an intervention that is more impactful on programme participants than that achieved through the 2012-15 programme.

Future Research

- 3.22 The ESF Participants Survey is a useful, consistent approach to capturing data on longer term outcomes from programme participants. The inclusion of a module of specific questions associated with each project was a welcome addition. However, the design of these questions needs to be undertaken at an appropriate time, following completion of the evaluation framework, with input from the programme evaluators. This would help to adopt the most appropriate questions for the evaluation within the survey.
- 3.23 The implementation of the ESF survey has led to the WG encouraging a reduction in the scale of data captured from participants in the midst of support. The typical size and the time lapse between fieldwork through the current model of delivery of the participant survey should leave a minimal risk of consultation fatigue. With a minimal risk of consultation fatigue, the implementation of the participants survey should have little or no impact on the scale of formative or process related research conducted as part of an evaluation.

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Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government

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Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

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