

# Building a sustainable quality part-time recruitment market

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## Can an increase in quality part-time jobs reduce maternal unemployment and lift families out of poverty?

The benefits to families of flexible and part-time working are well documented, and the 'right to request' part-time work has increased the number of mothers who are able to return to work with their current employers. However, one aspect of flexible working has received far less attention: the quality part-time recruitment market.

This new study by Women Like Us explores:

- the number of mothers on low incomes who could earn their true market value within their available hours of work, if there were more part-time vacancies at higher salary levels;
- the impact this could have on lifting families out of poverty;
- the current scale and nature of the quality part-time recruitment market; and
- what could trigger employers to recruit part-time staff at higher salary levels.



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# Executive summary

The Joseph Rowntree Foundation (JRF) 'New Insights' research programme aims to explore the potential for transformative approaches that address the economic, social and environmental challenges faced in a constrained public spending environment.

As part of New Insights, Women Like Us, a leading social enterprise, was commissioned to determine what factors would be needed to grow a high-volume, high-quality, part-time recruitment market, sustained through income generated from employers. This research also assessed the level of impact that such a recruitment market could have on reducing maternal unemployment and lifting mothers out of poverty.

The current focus of coalition government policy is on removing barriers to work and supporting people who are not currently working into sustainable employment. Primarily this is through reforming the benefits and welfare support system, specifically with the introduction of Universal Credit and the Work Programme.

Yet there has been little progress in tackling *in-work* poverty. Over half of children currently living in poverty are in households where one adult works, the majority within coupled families. Helping potential second earners, predominantly mothers, into work has remained a low policy and programme priority.

Making work pay is a key challenge for many lower-skilled jobseekers, but making part-time work pay is an even greater challenge for workless mothers, both lone and coupled.

The part-time labour market in London is concentrated in the low-wage economy, often with fragmented and unsocial hours. This limits opportunities and incentives to mothers, particularly lone parents, to pursue employment, as the risk of poverty is only marginally reduced by finding part-time work at a low wage.<sup>1</sup>

Historically, the lack of high-value, part-time and flexible work has not been presented as a positive workforce solution. While there has been much policy debate about the growth of the part-time employment market through potential legislative change, there is little practical understanding of how best to grow a 'quality' part-time recruitment market, from both demand- and supply-side perspectives.

There has also been little analysis of how many workless low-income mothers, as a proportion of the total number of families in poverty, have the existing skills and experience to move into higher-quality part-time jobs; in other words, how many mothers have the potential to earn their true market value, should a greater volume of higher-salary, part-time jobs exist in the economy.

This lack of analysis means that policy-makers do not know how much weight to attach to the recommendation to grow the volume of quality part-time jobs within the context of both welfare reforms and the child poverty agenda. It also has significant implications in terms of reassessing the level of intervention required to support mothers into work through publicly funded employment and skills provision.

This research set out to answer some of these questions and, in doing so, to assess the potential to establish sustainable and commercial recruitment solutions to contribute to this agenda.

The focus of the research was on London, where child poverty is well above the national average and part-time work is less prevalent than in other parts of the United Kingdom (UK). There are approximately 600,000 children living in poverty in London, with approximately 351,000 families with children living in poverty in London after housing costs.<sup>2</sup>

Using a proxy salary level of £20,000 (full-time equivalent – FTE) as a benchmark for 'quality' employment and working with research partners the Centre for Economic and Social Inclusion (*Inclusion*)

and market research experts Resolution, the research looked at both the demand- and supply-side challenges and set out to investigate:

- the volume of low-income mothers at the intermediary/higher-skill level, who could apply for part-time jobs that would have a positive impact on household income;
- existing and potential demand from employers for quality part-time roles;
- what interventions are required to stimulate growth in the part-time recruitment market, and at scale, which can contribute significant social change.

## Key findings

- There are approximately 82,000 women with the potential to earn £20,000+ FTE currently not in employment in London in employment or under-employed on a salary below their skill level.
- An estimated 20,000 mothers in London have the earning potential to lift their families out of poverty through employment in a quality part-time job, and up to 17,000 mothers could move off out-of-work benefits altogether by entering quality part-time employment.
- One significant barrier to supporting mothers into quality part-time jobs is the imbalance that exists in the part-time recruitment market. There is currently a strong correlation between part-time work and low pay: only 3 per cent of vacancies in London are for part-time roles with a salary of £20,000+ FTE, while 20 per cent of vacancies are for lower-paid, part-time roles. This is in sharp contrast to the full-time market, where the majority of roles pay over £20,000.
- This points to a particular difficulty for candidates out of the labour market looking for a part-time role earning £20,000+ FTE. There is only one such vacancy for every 18 full-time vacancies at this level. There is also only one such vacancy for every seven lower-paid, part-time vacancies.
- One of the reasons behind the relatively small size of the quality part-time recruitment market is that part-time work is used primarily as a retention tool. For almost half of all part-time roles, there was never an advertised vacancy. Moreover, when part-time employees resign, only a minority of employers choose to replace the role on a part-time basis. The implication for mothers is that, while they may be able to return to an existing employer on a part-time basis, they face a considerable challenge when switching jobs or finding part-time work after a break from work.
- For some employers, recruiting quality part-time employees simply does not occur, while many others are openly resistant to it (52 per cent of employers who have not yet recruited at this level reported an unofficial preference against quality part-time recruitment and 9 per cent stated that there was an official company policy against it).
- These underlying attitudes are strongly influenced by the mindset of senior management and specific operational considerations – factors that may be difficult to change – suggesting therefore that progress in growing the part-time recruitment market may be slow.
- However, there are some encouraging areas. The most significant of these are that:
  - 16 per cent of employers reported that they frequently or sometimes fill full-time roles with part-time candidates (this rose to 45 per cent among employers who reported that they always advertise vacancies with the option to work flexibly);

- employers who had experience of recruiting quality part-time employees cited many benefits and very few disadvantages, and there appears to be a virtuous circle and a readiness to recruit again, suggesting that the market for quality part-time jobs will grow as experience spreads.
- Further encouraging areas include: 46 per cent of employers stated that they would consider recruiting more quality part-time staff if they are presented with a greater supply of suitable part-time candidates; organisations with more than 50 per cent female representation on their governing board showed a greater propensity to recruit part-time workers; and the voluntary sector was also more open to part-time recruitment.
- Finally, in terms of how the part-time recruitment market might be stimulated in the future, the research found that employers need evidence in the form of case studies showing demonstrable efficiency/benefits to the business.

## Conclusions and recommendations

The evidence highlights that there is a significant number of mothers with the required skill sets to *supply* employers with part-time candidates appropriate for ‘quality’ roles.

The findings also suggest that getting more workless mothers into quality part-time employment would make a materially significant impact on reducing child poverty and lifting families from benefit dependency. This suggests that within government policy, more focus needs to be placed on giving employers the support they need to help stimulate demand for part-time candidates, and to influence both job design and hiring practices. This focus will become increasingly important with the introduction of Universal Credit, which will rely on a pipeline of ‘mini-jobs’ for parents to move into.

An increase in the number of quality part-time roles will also decrease the level of competition among women with intermediate and lower-skill levels, as higher-skilled mothers will be less inclined to trade down their employment ambitions in return for flexibility.

Evidence from analysis of what stimulates employer *demand* for quality part-time candidates highlights the importance of building a strong evidence base of employers who successfully recruit part-time. Real case studies need to illustrate demonstrable efficiencies and the economic benefit to the business. Employers also want to see evidence of a visible quality part-time candidate pool. Additionally, some employers highlight that they would respond positively to practical help in job design and implementing part-time and flexible working.

In undertaking this research, it has become apparent that there is relatively little data on the quality part-time vacancy market. The Office for National Statistics only collects data on part-time vacancies through Jobcentre Plus. This has significant implications for the government’s ability to monitor the impact of any new measures that it may choose to implement to stimulate employer demand for quality part-time vacancies.

These findings have a number of implications and the following recommendations should be considered:

- A more detailed and insightful evidence base on the ‘quality’ part-time employment market needs to be developed to build a better collective understanding, requiring greater monitoring of the quality part-time vacancy market by the Office for National Statistics and further research.
- Current government policy is highly focused on making work pay for lower-skilled mothers through welfare reforms. Consideration needs to be given to how to better support mothers with higher-level skills, for whom the significant barrier is finding *better-quality* part-time work. The gains to government

in doing this would be in terms of both reduced benefits claimed and also opening up the pipeline of further part-time employment opportunities for women at all skill levels who are currently crowded out of labour market entry.

- Government welfare reform policy and child poverty strategies should give consideration to how to stimulate demand from employers for higher-quality, part-time jobs and develop recruitment market solutions to support these candidates. To do this, the welfare-to-work agenda needs to move from developing 'work first' solutions to 'employer first' solutions. This will respond to the growing interest among employers in getting practical help for taking on quality part-time staff. The Department for Business, Innovation and Skills and the Department for Work and Pensions should investigate ways in which existing budgets can be used to trial new measures and innovative approaches in support of this, such as a free helpline on part-time job design;
- Government, policy-makers and employer intermediaries and membership organisations need to be encouraged to move the debate away from the threats of flexible working legislation to the business benefits of part-time job creation. This can then be positioned as a help, not a hindrance, to the growth agenda.
- The lack of quality part-time vacancies will need to be addressed if government wants to see an increase in mothers in work, and in receipt of income-related benefits, rather than out-of-work benefits. Tackling this market failure through a new recruitment agency model, rather than legislative change or a purely lobbying approach, clearly has potential. Once at scale, a quality part-time recruitment market, sustained through employer revenue, could 'do more for less' by contributing to a reduction in welfare dependency and child poverty. However, to stimulate interest from employers and to grow such a market at scale will require both investment and an approach driven by social as well as financial impact.



# 1 Introduction

The JRF 'New Insights' research programme aims to explore the potential for transformative approaches that address the economic, social and environmental challenges faced in a context of constrained public spending.

Women Like Us, a leading social enterprise, was commissioned by JRF for the New Insights programme to determine how to build a high-quality, part-time recruitment market sustained through income generated from employers, which has the potential to contribute to addressing a range of cross-cutting government priorities. These include tackling inequality, reducing maternal worklessness and child poverty, and stimulating business growth, while doing more for less.

This introductory chapter provides the policy background that informed the research. Initially, the focus of the research was on London, where child poverty is well above the national average and part-time work is less prevalent than in other parts of the UK.

This chapter goes on to look at the relationship between 'quality' part-time work, maternal worklessness and child poverty. To conclude the chapter we describe the research aims and provide an overview of our approach.

## Economic background

There are approximately 600,000 children living in poverty in London. This equates to approximately 351,000 families with children in poverty in London after housing costs.<sup>3</sup>

Much research has explored how to remove barriers to employment for parents, and to make work pay, as part of welfare reform and tackling child poverty strategies (Cooke and Lawton, 2008; Simmonds and Bivand, 2008). Key barriers that have been highlighted for mothers returning to work include lack of affordable/accessible childcare, low skills and lack of recent work experience.

More recently, there has been a growing recognition that the lack of quality part-time work is also a key driver for both maternal unemployment and child poverty (Ministerial Working Group on Child Poverty in London, 2008; Family Friendly Working Hours Taskforce, 2010; London Child Poverty Commission, 2010; Bashir *et al.*, 2011). Making work pay is a key challenge for many lower-skilled jobseekers, but making part-time work pay is an even greater challenge for workless mothers.

The part-time labour market in London is concentrated in the low-wage economy, often associated with fragmented and unsocial hours. Almost half of part-time employees earn less than the living wage compared to 15 per cent of full-time employees (GLA Economics, 2009). This limits opportunities and incentives to mothers, particularly lone parents, to pursue employment. The risk of remaining in poverty is only marginally reduced by finding part-time work at a low wage level.<sup>4</sup>

The lack of intermediary part-time work also results in highly skilled women either abandoning their careers entirely or 'trading down' to take lower-level, part-time roles (Lyonette *et al.*, 2010). The knock-on effect is that these highly skilled women are in effect under-employed, and those with fewer skills are less able to compete for intermediary-level, part-time work.

Historically, the lack of high-value part-time and flexible work has been due to a number of reasons, predominantly that the traditional model of full-time working (i.e. nine to five, Monday to Friday) is ingrained

in the minds of many employers. Further, consideration of flexible working options has not been presented as a positive workforce solution to employers.

However, the recession has had one of the biggest impacts on the growth in part-time and flexible working (CBI, 2009). It has accelerated a changing landscape in the employment market, with part-time employment now much higher up the agenda. Businesses have used flexible working as a business solution for coping with the economic downturn.

## Policy response

Current coalition government policy is focused on removing barriers to work and supporting people who are not currently working into sustainable employment. Primarily the way in which this is intended to be delivered is through changing the benefits and welfare support system, specifically with the introduction of Universal Credit and the Work Programme.

Yet there has been little progress in tackling *in-work* poverty. Over half of children currently living in poverty are in households where one adult works, the majority within coupled families. Helping potential second earners, predominantly mothers, into work has remained a low policy and programme priority.<sup>5</sup>

For further progress to be made towards reducing maternal worklessness, child poverty and *in-work* poverty, government policy needs to focus on the nature and type of jobs being created in the labour market. Specifically, this means identifying solutions that will give parents, particularly mothers, greater access to quality part-time and flexible employment. This research aims to add to the evidence base in support of this aim.

## Previous research into the part-time recruitment market

Part-time and flexible employment is known to be growing – it has outstripped the growth of full-time roles over the past ten years, from 2001 to 2011 (up 9 per cent compared to a 2 per cent increase in full-time employees during the same period<sup>6</sup>). However, far less is known about the nature of the part-time recruitment market. Part-time recruitment is off-radar for statisticians: the Office for National Statistics does not collect market data on part-time vacancies outside of Jobcentre Plus. Moreover, although qualitative research exists on the business benefits of flexible working, there is little evidence currently available that highlights the actual ‘triggers’ for employers to create intermediary and higher-skilled, part-time vacancies.

## Methodology and assumptions

A detailed account of our approach to this research is presented in the Appendices. In summary, Women Like Us worked with research partners the Centre for Economic and Social Inclusion (*Inclusion*) and market research experts Resolution to undertake secondary and primary research. This was to develop a greater understanding of both the supply of part-time workers and the demand for part-time jobs among employers.

Using proxy measures, *Inclusion* used secondary research to assess:

- the number of mothers in London who have the skills and experience suitable for a quality part-time job (defined for this research by salary level of £20,000+ FTE (full-time equivalent)) and who would be in a position to lift their family either out of poverty and/or off benefits, if they found a quality part-time job at their earning potential.

Resolution undertook primary research comprising a quantitative study with 1,000 London employers, followed by more in-depth qualitative interviews with ten employers, to:

- investigate the existing and potential demand from employers for quality part-time roles;
- assess the current and potential propensity of employers to advertise vacancies on a part-time basis, including investigating what factors or incentives would encourage employers to advertise higher-skilled, part-time opportunities;
- determine how to inform a more targeted and effective marketing campaign to employers to increase demand for quality part-time roles.

## ‘Quality part-time employment’

As this research aimed to determine the potential for commercial recruitment solutions to impact on child poverty, it was important to provide a salary level indicator for a ‘quality part-time job’. This would provide a clear guide against which employers could assess the ratio of vacancies with salaries that fell above/below it.

Women Like Us set this salary level at £20,000 FTE. Throughout this research we refer to an employee earning at least £20,000 FTE as a ‘£20,000+ FTE’ employee. To clarify this: a part-time employee working three days a week and earning a £12,000 actual annual salary would be included as a £20,000+ FTE employee, as their FTE salary is £20,000.

The choice of £20,000 FTE as the threshold was based on a number of factors:

- First, this is the definition of quality part-time work and associated salary that is cited by the Government Equalities Office (Lyonette *et al.*, 2010).
- Second, initial scoping work with employers suggested that, beyond this salary level, the volume of part-time vacancies falls off considerably.
- Third, scoping work also suggested that this is the level at which salary can currently have a measurable impact on household income.

A salary of £20,000 FTE equates to a gross hourly rate of around £11 per hour, which is higher than the current London Living Wage of £8.30 per hour and the average part-time pay for women in London of £9.64 per hour.

It is important to note that income alone does not define the ‘quality’ of a job. A range of other factors, including hours, flexibility, location, progression opportunities and the nature of the job, will all influence a person’s perception as to what defines a ‘quality’ job. However, for the purposes of this research, a salary level as a proxy was required. Further analysis also looked at the impact across wider salary levels of £18,000 and £22,000 and the varying levels of impact on household income. Further details can be found in the Appendices.

## 2 Estimating the number of mothers with the potential to earn £20,000 FTE

This chapter sets out the findings from an analysis of data from the Labour Force Survey (LFS) to determine the number of mothers in London who have the skills and experience associated with being employed in a 'quality part-time job'. The analysis estimated the potential level of supply of non-working mothers who have the skill level associated with earning £20,000+ FTE (full-time equivalent) per year. It then assessed the wider economic benefits that would occur if more non-working mothers were employed in quality part-time jobs, particularly in addressing child poverty.

In summary, the remainder of this chapter estimates:

- *the number of mothers with the potential to earn £20,000 FTE in London.* This was done by analysing the total number of mothers in London currently not earning £20,000+ FTE a year but with the *potential* for earning this. This included both those women out of work and those women in work, but employed at a salary level below their skill level. We identified that there are approximately 82,000 women with the potential to earn £20,000+ FTE;
- *the impact of maternal under-employment on child poverty.* This was done by determining how many of these mothers were currently in poverty and/or on benefits and how many would be lifted out of poverty/off benefits if they were employed in a £20,000+ FTE job. We identified that an estimated 20,000 mothers could lift their families out of poverty through employment in a quality part-time job and that potentially between 11,000 and 17,000 mothers could move off out-of-work benefits by entering quality part-time employment.

More detailed information about the methodology used in this analysis is available in Appendix 1, setting out the rationale behind the datasets used and the approach to calculations.

The following sections capture the key findings from the analysis.

### Estimating the number of mothers with the potential to earn £20,000+ FTE

To provide an estimate of the possible supply of suitable candidates currently available for quality part-time jobs, the analysis looked to estimate how many mothers in London appeared to have the *potential* to earn £20,000+ FTE. The initial estimate was then refined in line with a series of assumptions and caveats (detailed in Appendix 1), to create a baseline figure of approximately 82,000 women with the potential to earn £20,000+ FTE.

The overall total number of mothers of working age in London was estimated using LFS data to be about 1,072,000. Refining this figure further, we removed the number of mothers who were full-time students and women with a child aged under one, on the basis that they were not likely to be in a position to take up a part-time job. These mothers were removed in order not to overestimate the number of mothers with the potential to earn £20,000+ FTE. This resulted in a reduced estimate of some 908,000 mothers.

Two methodologies were then used to produce a continuum to determine the likely scale of mothers with the earning potential of £20,000+ FTE, subject to a series of refinements and caveats. Again, the technical detail behind each approach is covered in Appendix 1.

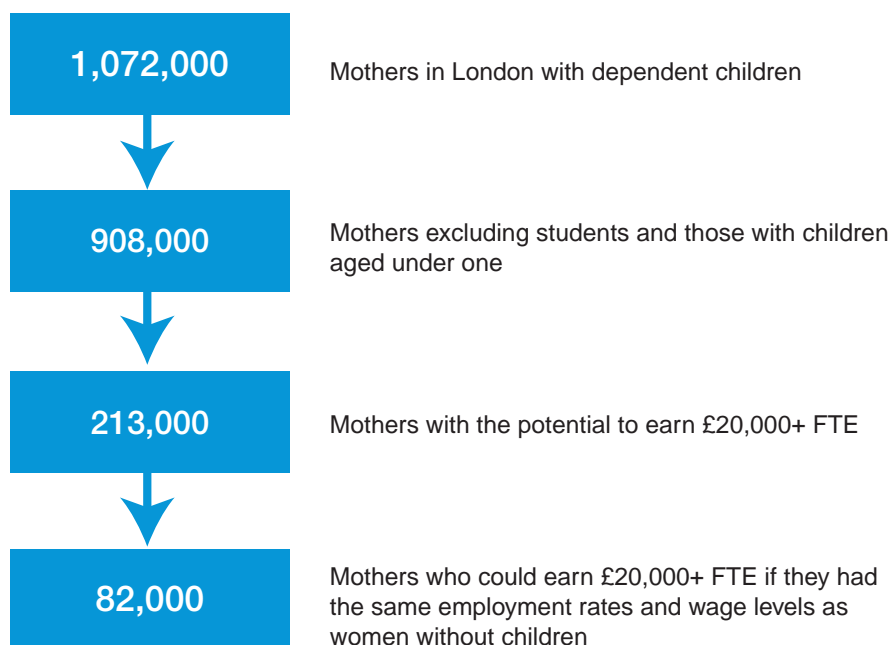
The first methodology produced an estimate of what might be termed the ‘maximum potential’ number of mothers in London who do not currently earn £20,000+ FTE and who have the potential to earn at that level with all things being equal. This calculation was based on the proportion of working women without children earning at that level (disaggregated by qualification).<sup>7</sup> This created an estimate of 213,000 mothers with the potential to earn £20,000+ FTE. This figure does not reflect employment rates or factors affecting mothers’ ability to work such as disability or caring responsibilities. As such, it represents the number of mothers who *could* earn £20,000+ FTE, if all mothers were able to be in employment. This is clearly an optimistic scenario. Of these 213,000 mothers, we estimated that around 60,000 of them were in families on out-of-work benefits.

The second methodology produced a value for the additional number of mothers who would earn over £20,000+ FTE if the inequalities between mothers and non-mothers were eradicated. This assumed the current employment rate of non-mothers (rather than full employment as in the first methodology). In other words, this methodology involved closing the earnings gap between mothers and non-mothers. Unlike the first methodology, it did not assume full employment and therefore did not assume that all mothers are capable of work.

The second methodology produced what might be considered a more pragmatic (less idealistic) estimate based on the employment rates and wage levels of women without children. Therefore, if mothers in London had the same employment rates and wage levels as women without children (in London), an additional 82,000 mothers had the potential to earn £20,000+ FTE.

Figure 1 sets out the numerical cascade to reach the potential baseline number.

**Figure 1: Calculating the number of mothers with the potential to earn £20,000+ FTE in London**



Source: Inclusion's analysis of the 2010 LFS (four-quarter average)

To provide greater understanding of and background to the 82,000 mothers with the potential to earn £20,000+ FTE, further analysis was undertaken where the following key points emerged:

**Table 1: Number of mothers with the potential to earn £20,000+ FTE, by qualification level**

	Number of mothers who could earn £20,000+ FTE and do not already
NQF Level 4 and above	29,000
NQF Level 3 and trade apprenticeships	18,000
NQF Level 2	16,000
Below NQF Level 2	8,000
Other qualifications	10,000
No qualifications	500
<b>Total</b>	<b>82,000</b>

Source: Inclusion's analysis of the 2010 LFS (four-quarter average)

- half were qualified to National Qualifications Framework (NQF) Level 3 or above (see Table 1 for further breakdown);
- around one third were lone parents (27,000) and two thirds (55,000) were mothers in couples;
- around 31,000 were out of work, with the remainder (51,000) underemployed and earning less than £20,000 FTE.

In the following section, analysis focuses on the potential impacts of 82,000 mothers moving into part-time employment earning £20,000+ FTE, and the potential number of mothers who would be able to lift their families out of poverty if they were employed in a quality part-time job.

## Lifting families out of poverty

Poverty can be measured in a number of ways, including income, material deprivation, health outcomes, educational attainment, access to resources and services and other life chances. However, in order to estimate the number of mothers with the potential to lift their families out of poverty, we used the government's child poverty measures for the number of children in families with incomes below 60 per cent of the current median income.<sup>8</sup>

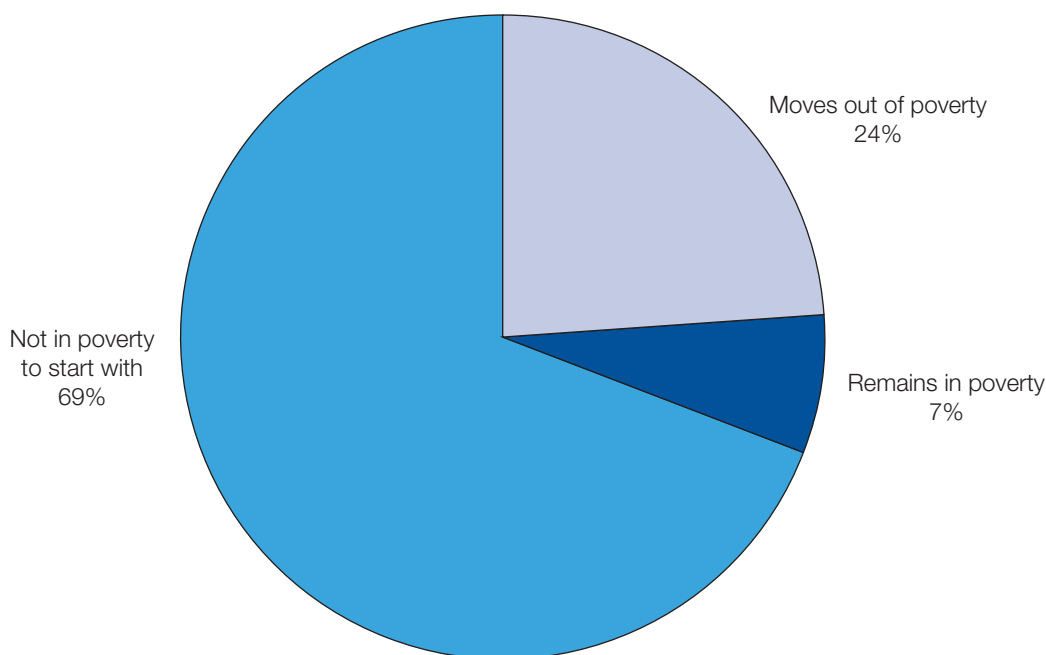
The government's preferred definition includes 'before housing costs' (BHC), equivalised for family size and structure. For this analysis we used the 'after housing costs' (AHC) measure as it better reflects the experiences of people living in poverty, particularly with the high housing costs in London. The poverty threshold is 'equivalised', meaning it is based on the number of adults and children in the family (DWP, 2011). For example, couple families with two children need an income of around £300 per week AHC to be above the AHC poverty threshold, compared with a lone parent with one child who would need an income of around £167 per week AHC.

Applying the AHC measures to the 82,000 women who have the potential to earn £20,000 FTE<sup>9</sup> produces three different groups of mothers, which are set out in Figure 2, in relation to lifting families out of child poverty. The analysis examined the effect on household income of mothers in 12 family scenarios moving into employment. From this analysis, families were then divided into those not in poverty to start with, those who could be lifted out of poverty and those who are likely to remain in poverty.

The majority (69 per cent) of mothers in London with the potential to earn £20,000+ FTE were not in AHC poverty even when not working in a quality part-time job. This reflects that they were typically couple families where both parents worked or in which one partner was in high-earning employment.

A second group of mothers, 24 per cent, could lift their families out of poverty by entering a quality

**Figure 2: Effect of a mother in London moving into a part-time job earning £20,000+ FTE**



Base: All mothers with the potential to earn £20,000 FTE (82,000).

Source: Inclusion's analysis of the 2010 LFS (four-quarter average) and income data

part-time job.<sup>10</sup> In numerical terms this equates to an estimated 20,000 mothers who could lift their families out of poverty through employment in a quality part-time role.<sup>11</sup> The types of family with the greatest potential to be lifted out of poverty were mainly workless lone-parent families or lone parents earning a low wage. Taking rent and childcare costs into account, earning £20,000+ FTE through quality part-time employment should still be sufficient to lift smaller families, such as lone-parent families with only one or two children, over the AHC poverty threshold.

Drilling down further into the 20,000 mothers who could lift their families out of poverty, an estimated 11,000 to 17,000 could move off out-of-work benefits by entering quality part-time employment. The actual extent of this would depend on the individual family circumstances. For example, some families such as those with an out-of-work lone parent may be both lifted out of poverty and moved off out-of-work benefits by entering a quality part-time job. However, other families, such as workless couple families with three or more children and high rent, may be moved off out-of-work benefits but not necessarily be lifted out of poverty.

The final group of mothers (7 per cent), however, would remain in AHC poverty even if they took a quality part-time job. These women were most commonly living in couple families in which neither parent worked or the mother was the sole earner on a low wage. For this group of mothers, quality part-time employment would not be enough to lift their family out of AHC poverty, particularly if it was a large family living in private rented accommodation.

All of these estimates were calculated using the existing out-of-work benefits system. With the introduction of Universal Credit from 2012, the estimates on the number of women who would be able to lift their families out of poverty through quality part-time employment may change.

At the time of the analysis, it was difficult to predict the impact of the roll-out of Universal Credit, as the precise details on levels of support were yet to be confirmed. However, the direction of change suggested that fewer mothers would be able to lift their families out of poverty through quality part-time work as many families in London are anticipated to be worse off following the changes (Centre for Economic and Social Inclusion, 2011). The kinds of changes that suggested this situation include:



- the loss of the childcare disregards in Housing Benefit;
- a cut in the overall Council Tax Benefit budget when it becomes localised;
- the fall in the value of Child Benefit due to the three-year real-term freeze;
- the reduced value of benefit payments and the cap on childcare support in Working Tax Credit as a result of annual uprating by the Consumer Price Index.

Similarly, while the Minimum Income Standard<sup>12</sup> is not a poverty threshold per se, the Minimum Income Standard measures suggest that the chances of people lifting themselves out of poverty, while the Minimum Income Standard is increasing more than the Consumer Price Index and the Retail Price Index, are inhibited. The Minimum Income Standard reflects what the public think people need in order to achieve a socially acceptable standard of living. This measure has increased in the past three years more than the Consumer Price Index or the Retail Price Index.



### 3 Demand for quality part-time candidates – quantitative research

This and the following chapter set out the findings from the research with employers. This chapter principally deals with the quantitative analysis. The research focus sought to examine and enumerate sources of existing and potential provision of quality part-time jobs among employers, particularly investigating their demand or potential demand in relation to quality part-time roles. The chapter concludes with employers' insights into how demand for quality part-time roles could be increased through informed and targeted marketing activity to employers.

In summary, the key research findings are as follows:

- *Current market size of part-time £20,000+ FTE (full-time equivalent) vacancies:* Only 3 per cent of vacancies in London were for part-time roles with a salary of £20,000+ FTE, with there being only one such vacancy for every 18 full-time vacancies at this level. In contrast, 20 per cent of vacancies were for part-time roles under £20,000 FTE, with there being seven vacancies under £20,000 FTE for every quality part-time vacancy.
- *Part-time as a retention tool versus new roles:* 48 per cent of current part-time roles came into being through a reduction in hours, either at the employee's request (44 per cent) or imposed by their employer (4 per cent). Therefore, there is never an advertised vacancy for nearly half of all part-time roles.
- *£20,000+ FTE vacancy 'hotspots':* Company legal status and the gender composition of the governing board were important indicators of the propensity to recruit part-time workers. The voluntary sector was the most likely to have quality part-time vacancies (although the private sector had most by volume) as were organisations with at least 50 per cent female representation on their governing board.
- *The latent £20,000+ FTE part-time vacancy market:* 16 per cent of employers reported that they frequently or sometimes fill full-time roles with part-time candidates, this figure rising to 45 per cent among employers who advertise vacancies with the option to work flexibly.
- *The £20,000+ FTE replacement market:* 40 per cent of employers said that the issue of replacing a part-time employee earning £20,000+ FTE had not yet happened in their business, 20 per cent said that they tend to replace part-time staff with new part-time recruits, while 17 per cent said that they tend not to replace part-time roles (converting them to full-time roles or passing the workload on to other staff) and 21 per cent had no 'rule of thumb' on this issue.
- *Attitudes to recruiting £20,000+ FTE part-time candidates and 'triggers' for increasing the level:* Half (52 per cent) of employers who have not yet recruited at this level reported an unofficial preference against this type of recruitment and 9 per cent said that they had an official policy against it. However, 46 per cent of employers said that they probably or definitely would recruit more quality part-time employees if there was greater supply of suitably qualified candidates.

The methodological approach and further detail on the size/composition of the sample in the quantitative research are included in Appendix 1, while the interview topic guide is presented in Appendix 3.

## Current market size of part-time £20,000+ FTE positions

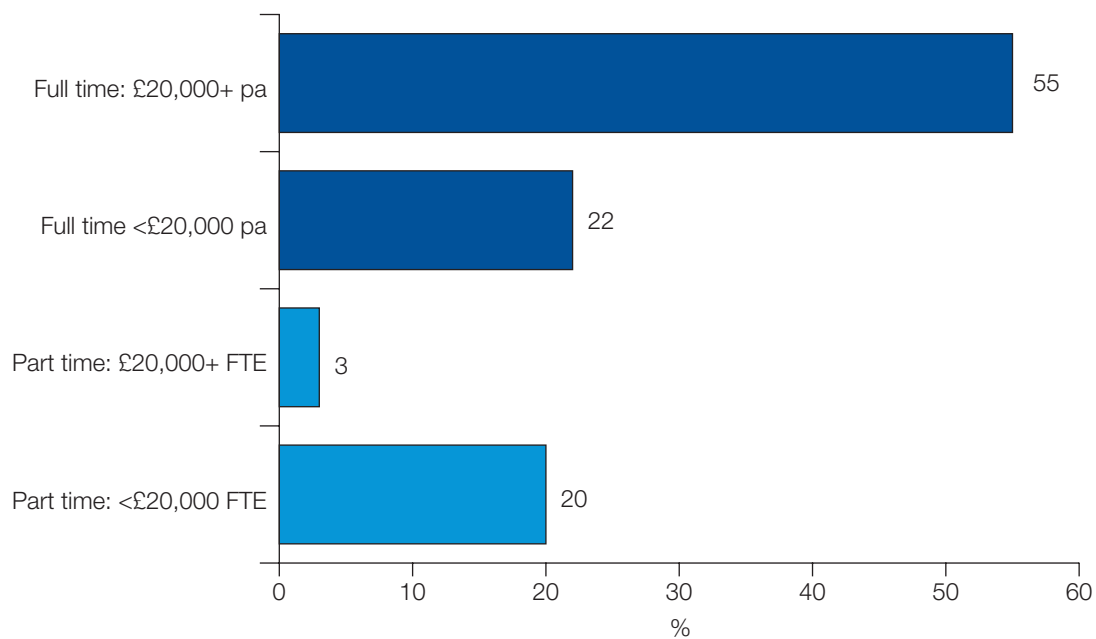
The research first sought to establish the size of the £20,000+ FTE part-time labour market, in terms of both the number of employees who currently work part time and the number of vacancies that are offered on a part-time basis.

Looking first at current employees, evidence from existing data<sup>13</sup> shows that 20 per cent of the total workforce work part time (9 per cent earning £20,000+ FTE and 11 per cent in lower-paid roles).

Turning to the recruitment market, the research found that the proportions were significantly different: 21 per cent of current vacancies were for lower-paid, part-time roles, while only 3 per cent were for part-time roles paid at £20,000+ FTE (estimated to equate to approximately 1,800 posts in London<sup>14</sup>).

As Figure 3 shows, for every part-time vacancy over £20,000+ FTE, there were nearly seven part-time vacancies under £20,000. Moreover, within the £20,000+ market, there were 18 full-time vacancies for every part-time vacancy.

**Figure 3: Current live vacancies: full time versus part time, by salary category**



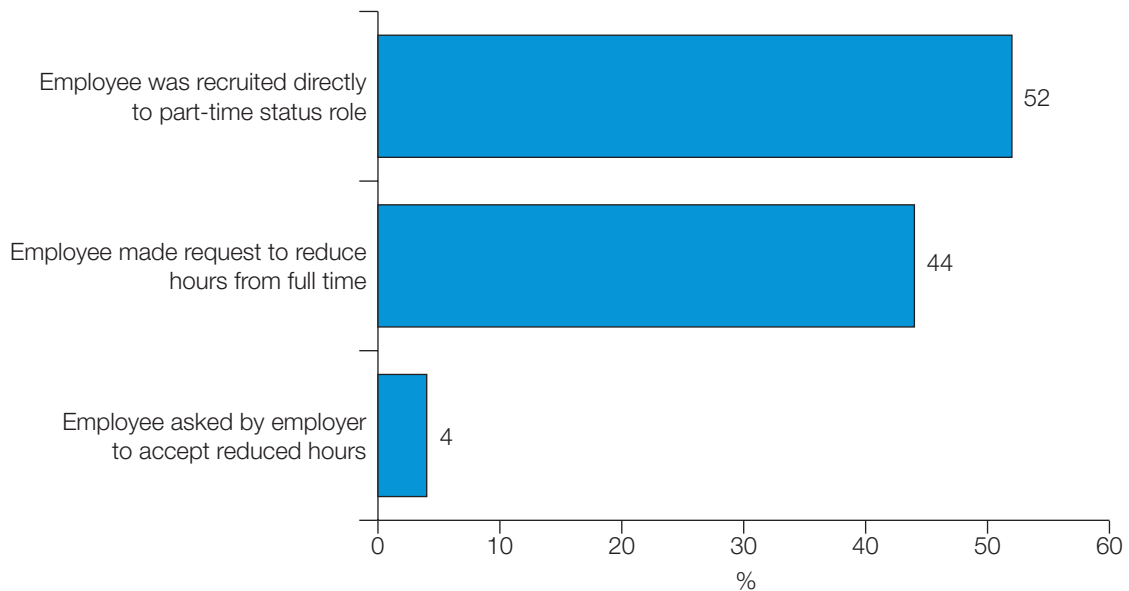
Base: Total sample (889 companies, representing 1,268 vacancies)

## Part-time roles as a retention tool versus new part-time roles

When employers were probed on how part-time roles over £20,000 FTE were established, 48 per cent reported that this occurred as a result of the current employees' hours being reduced, either through their choice (44 per cent) or imposed by their employer (4 per cent). Therefore, there was never an advertised vacancy for these 48 per cent of part-time roles.

Figure 4 sets out how existing employees moved into their current part-time role.

**Figure 4: How employees move into part-time status**



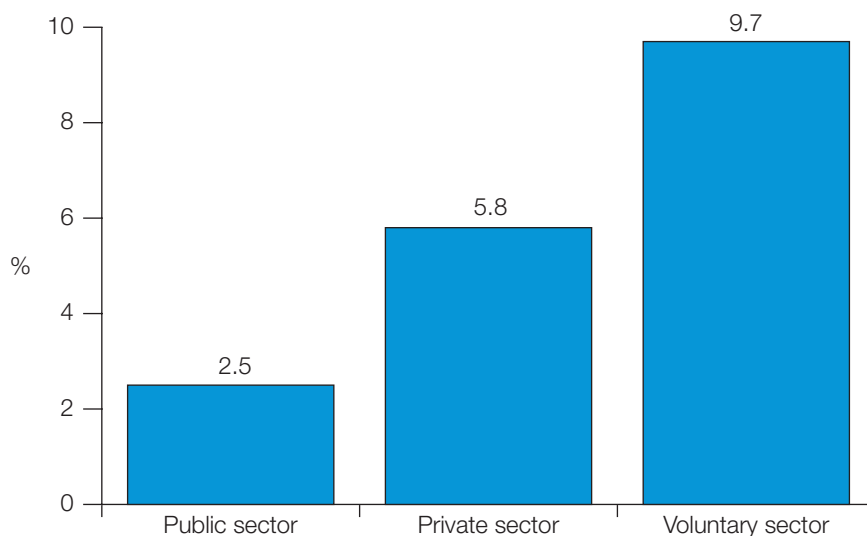
Base: 222 companies, representing 25,019 employees

### Part-time £20,000+ FTE vacancy 'hotspots'

To understand better what factors helped generate part-time employment opportunities and where 'hotspots' of quality part-time employment were located, employers were asked about their company status and the gender composition of the governing management board.

From the employers' responses, the proportion of quality part-time roles varied significantly by legal status (i.e. public, private or voluntary sector). There were nearly 10 per cent of £20,000+ FTE vacancies in the voluntary sector compared with nearly 6 per cent in the private sector and just 2.5 per cent in the public sector (see Figure 5). However, as private sector employment constituted a greater percentage of the overall total, the private sector did have the highest number of quality part-time roles by volume.

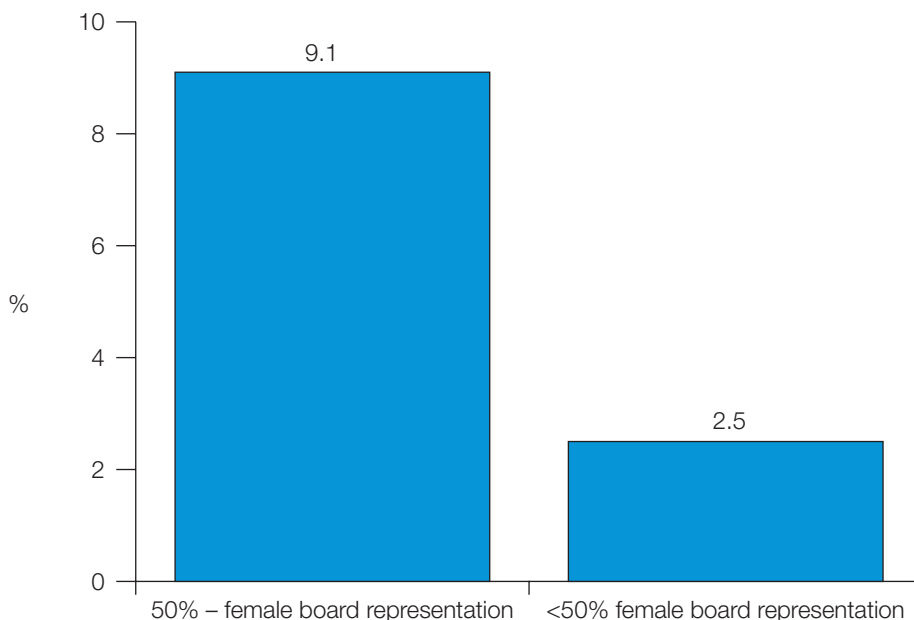
**Figure 5: Percentage of £20,000+ FTE vacancies that are part time, by company's legal status**



Base: 889 companies, representing 199, 346 and 103 £20,000+ FTE vacancies for companies in the public, private and voluntary sectors, respectively

In looking at companies by their governing management structure and the level of female representation, the following emerged. Companies with at least 50 per cent female board representation were more likely to have high-earning, part-time roles than those with representation of females on the board of below 50 per cent (see Figure 6).

**Figure 6: Percentage of £20,000+ FTE vacancies that are part time, by companies with 50%+ female board representation**



Base: 889 companies, representing 287 and 451 £20,000+ FTE vacancies for companies with at least 50% female board representation and less than 50% female board representation, respectively

### The latent £20,000+ FTE part-time vacancy market

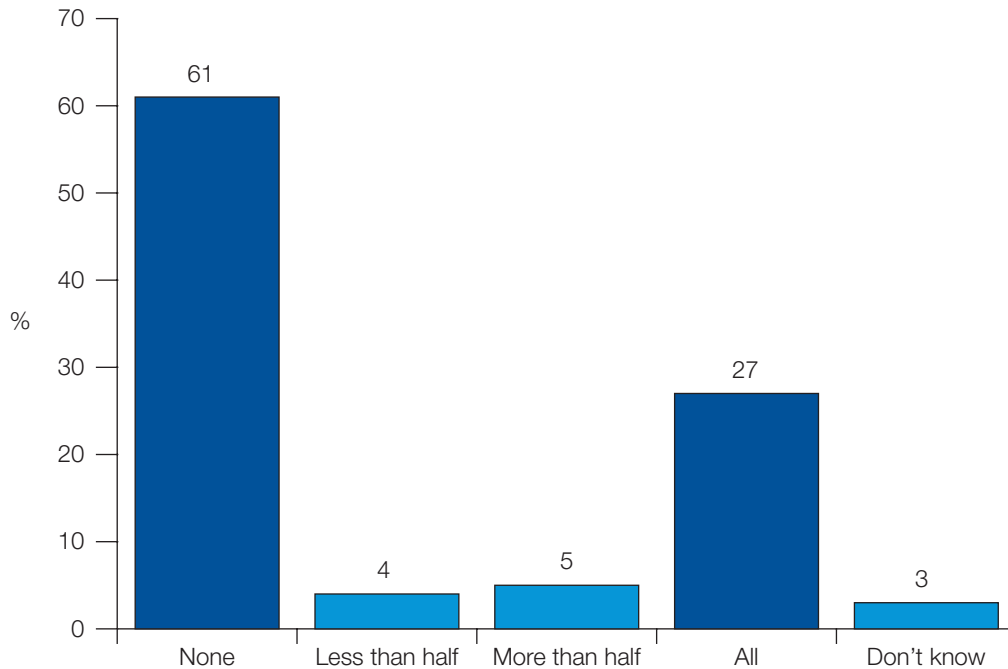
Looking more broadly at the recruitment market, the research looked at the ‘latent’ or potential element of demand. In this context, ‘latent’ was taken to encompass any full-time vacancy that could be filled by a part-time candidate. The first element of the research looked at the incidence of full-time vacancies being advertised with the option to work flexibly or part time. The second element looked at the specific hiring process and the actuality of hiring part-time candidates into posts advertised as full time. By exploring the latent element of recruitment, the research was looking to uncover more perceptive insights into the attitude of employers and to gauge the level of flexibility in their recruitment processes.

At one level, it would appear that employers tended to have an ‘all or nothing’ approach when it came to advertising £20,000+ full-time roles with an option to work flexibly or part time. The majority (61 per cent) did not offer flexibility for any of their vacancies, with a smaller proportion (27 per cent) reporting that they advertised all their quality part-time vacancies as being open to flexible or part-time working (see Figure 7). Overall, 36 per cent of employers offered all or at least some of their £20,000+ full-time vacancies as being open to flexible or part-time working.

Looking now at the incidence of full-time roles actually being filled by part-time candidates, an encouraging one in six companies (16 per cent) reported that this sometimes or frequently happened (see Figure 8). This proportion rose to 25 per cent once companies with fewer than ten employees were removed from the sample, and to 45 per cent among employers who reported that they ‘always’ advertised

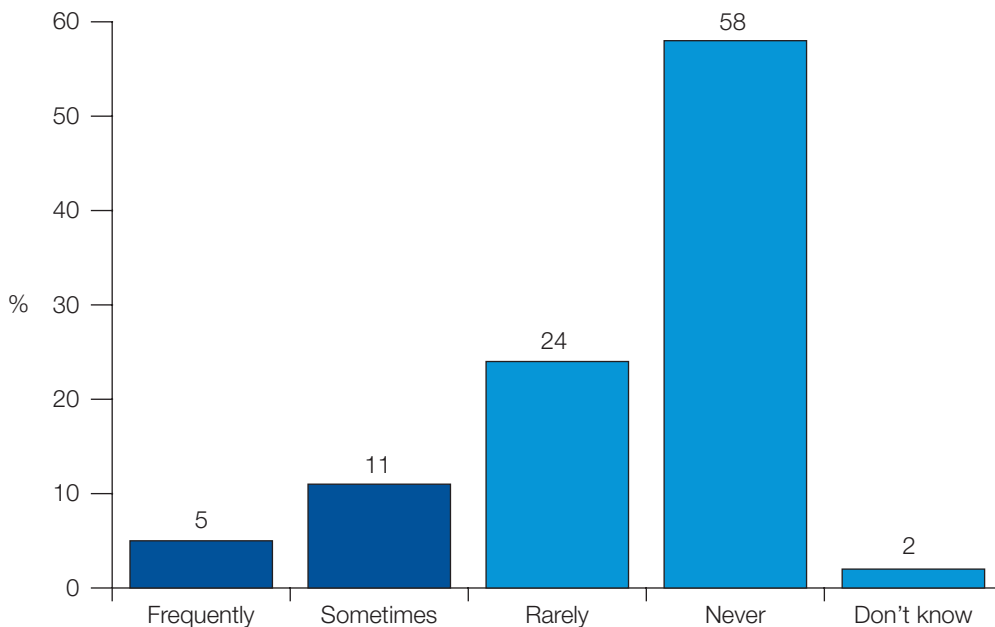
full-time roles with the option of flexibility. Even among the segment of employers who said that they 'never' advertised full-time roles with the option of flexibility, some 15 per cent still reported that they frequently or sometimes filled full-time roles with part-time candidates.

**Figure 7: Proportion of £20,000+ FTE full-time roles advertised with option to work flexibly or part time**



Base: 165 companies currently advertising £20,000+ FTE roles

**Figure 8: How often vacancies that are advertised as full time are actually offered to a part-time candidate**



Base: 889 companies

## The £20,000+ FTE part-time replacement market

The focus of the research with employers presented in the previous section looked at the vacancies that employers have had and the potential for quality part-time employment solutions within those roles. For this section, the research looked to uncover what led employers to recruit and how vacancies broke down in terms of two distinct drivers: 'replacement' (filling vacancies as staff resign) and 'new' (additional posts generated above and beyond the existing workforce).

To get a clear line of sight into the demand for recruiting part-time employees, employers were asked to consider only those members of staff who were originally recruited into their roles in a part-time capacity as opposed to existing full-time employees who had reduced their hours. The research then investigated whether their vacancies were originally replacement in nature or newly created jobs.

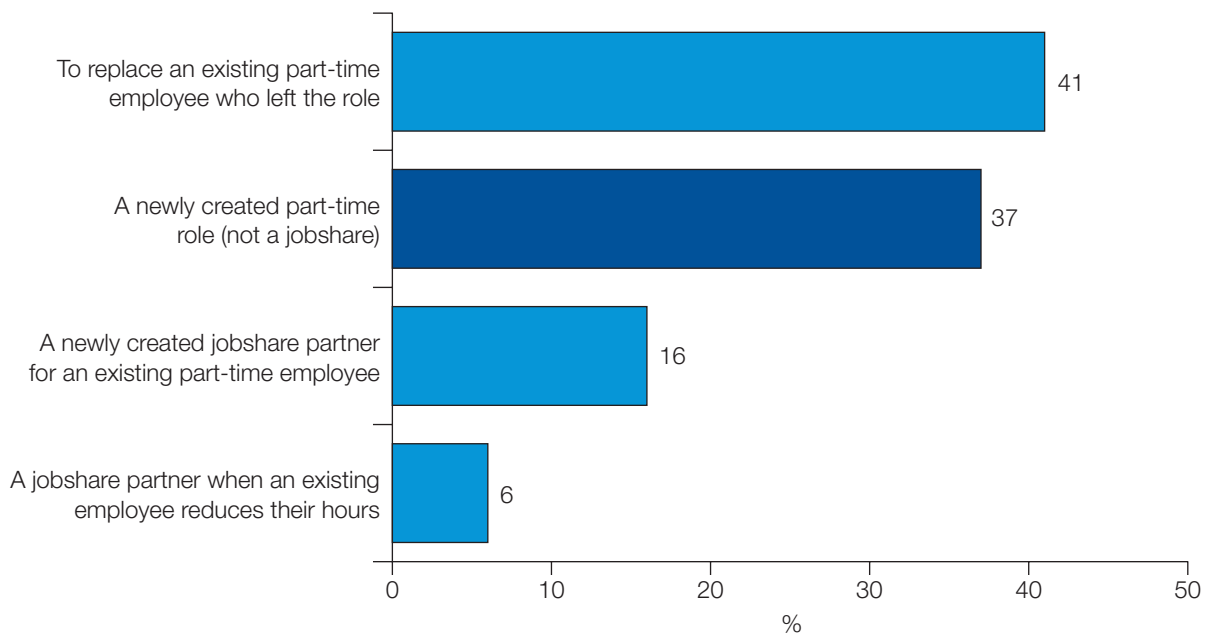
Looking first at 'replacement' demand, this was further subdivided into three categories:

- replacement of an existing part-time post that had become vacant;
- a jobshare partner for an existing part-time role (when a member of staff had asked to work part time and a new recruit was taken on to cover the remaining hours/days);
- replacement of an existing full-time post that had become vacant.

These three types of replacement methods accounted for a total of 63 per cent of all quality part-time posts.

Turning to the 'new' posts, i.e. those posts created as business expanded rather than to replace staff as they left, these accounted for 37 per cent of all quality part-time posts (see Figure 9). Further analysis of employer response by company size showed that the proportion of new posts that were part-time £20,000+ FTE increased to almost half (49 per cent) of all companies with fewer than 250 employees.

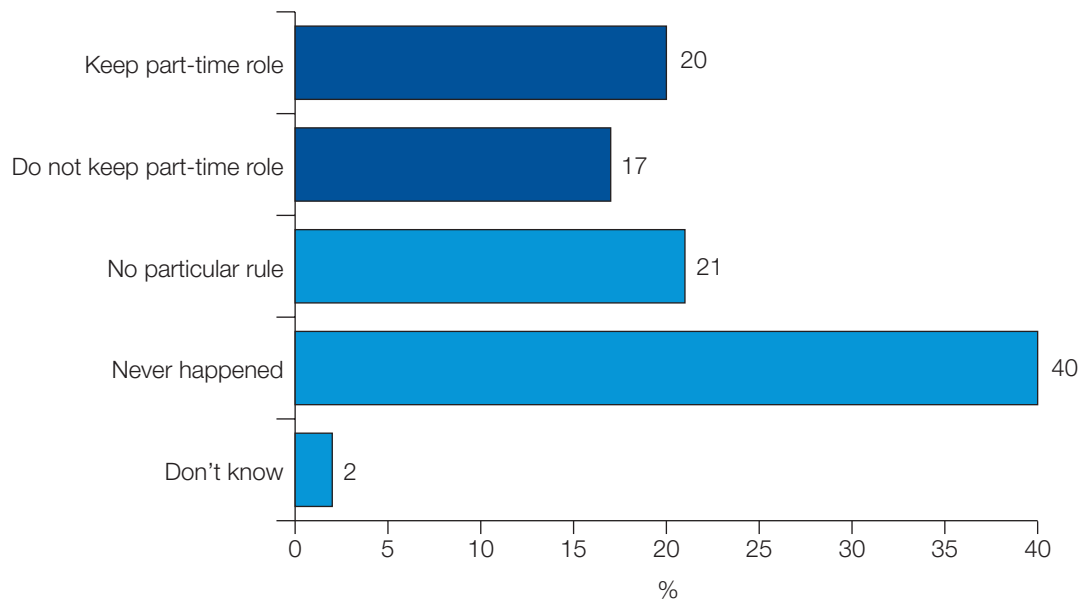
**Figure 9: Part-time employees: replaced existing resources versus newly created role**



Base: 140 companies, representing 15,288 employees

Finally, we looked to explore the decision-making process that employers undertook when considering the replacement needs for quality part-time roles. Taking out those employers who reported that it had 'never happened' that a quality part-time employee had left their role, a broadly equal split of responses emerged: 21 per cent of employers had not developed a hard-and-fast rule for recruiting, 20 per cent tended to recruit a replacement part-time employee and 17 per cent tended no longer to keep the part-time role (see Figure 10).

**Figure 10: What happens when a £20,000+ FTE employee leaves their role**



Base: 289 companies

Looking in more detail at the 17 per cent of employers who said that they would not keep the part-time role, we found that 7 per cent removed the role from the workforce altogether (no replacement at all) while the remaining 10 per cent replaced the role on a full-time basis.

## Attitudes to recruiting higher-value, part-time candidates

Finally, the research sought to establish reasons for non-recruitment of part-time £20,000+ employees among those employers who employed (but never recruited) part-time staff at this level.

Of the 109 employers who responded: half (52 per cent) said that they had an unofficial preference against this type of recruitment; almost one in ten (9 per cent) said that there was an official company policy against it – this rose to 22 per cent among companies with 250+ employees; 6 per cent said that it was too difficult to find high-quality, part-time staff; and 32 per cent had never needed to recruit part-time staff at this level.

The research also set out to establish employers' views on the main perceived benefits and disadvantages of recruiting part-time employees at the £20,000+ FTE level. Certain factors were considered to be a major benefit to some employers but were seen by other employers as a major disadvantage. Three key polarising dimensions were identified (see Table 2):

- *flexibility*: cited as the top business benefit of part-time working (62 per cent of employers), with inflexibility cited as the top disadvantage (35 per cent of employers);
- *cost efficiency*: cited as the second top business benefit (19 per cent), with additional cost concerns cited as the fourth biggest disadvantage (16 per cent);
- *commitment*: the third most-cited business benefit (11 per cent), with lack of commitment the third most-cited disadvantage (18 per cent).

**Table 2: Employers' views on the main perceived benefits and disadvantages of recruiting part-time employees at £20,000+ FTE**

Benefits	%	Disadvantages	%
Hours worked are flexible/adaptable to business needs	62	Inflexibility to work the hours needed	35
Save money/cost efficiency	19	Lack of continuity/workload problems	21
More loyal/motivated/hardworking staff	11	Less committed staff	18
Better-quality/more knowledgeable staff	10	Additional cost concerns	16
There are benefits for the staff	5	Additional management time/training/red tape	14
Would depend on the role/type of business/ the person	3	Does not work for senior/client-facing roles	5
Access a wider candidate pool	1	Less-skilled/experienced/qualified staff	4
Not applicable/don't know	0	Would depend on the role/type of business/ the person	4
Other	17	Other	16

### **'Triggers' for boosting the recruitment of part-time £20,000+ FTE roles**

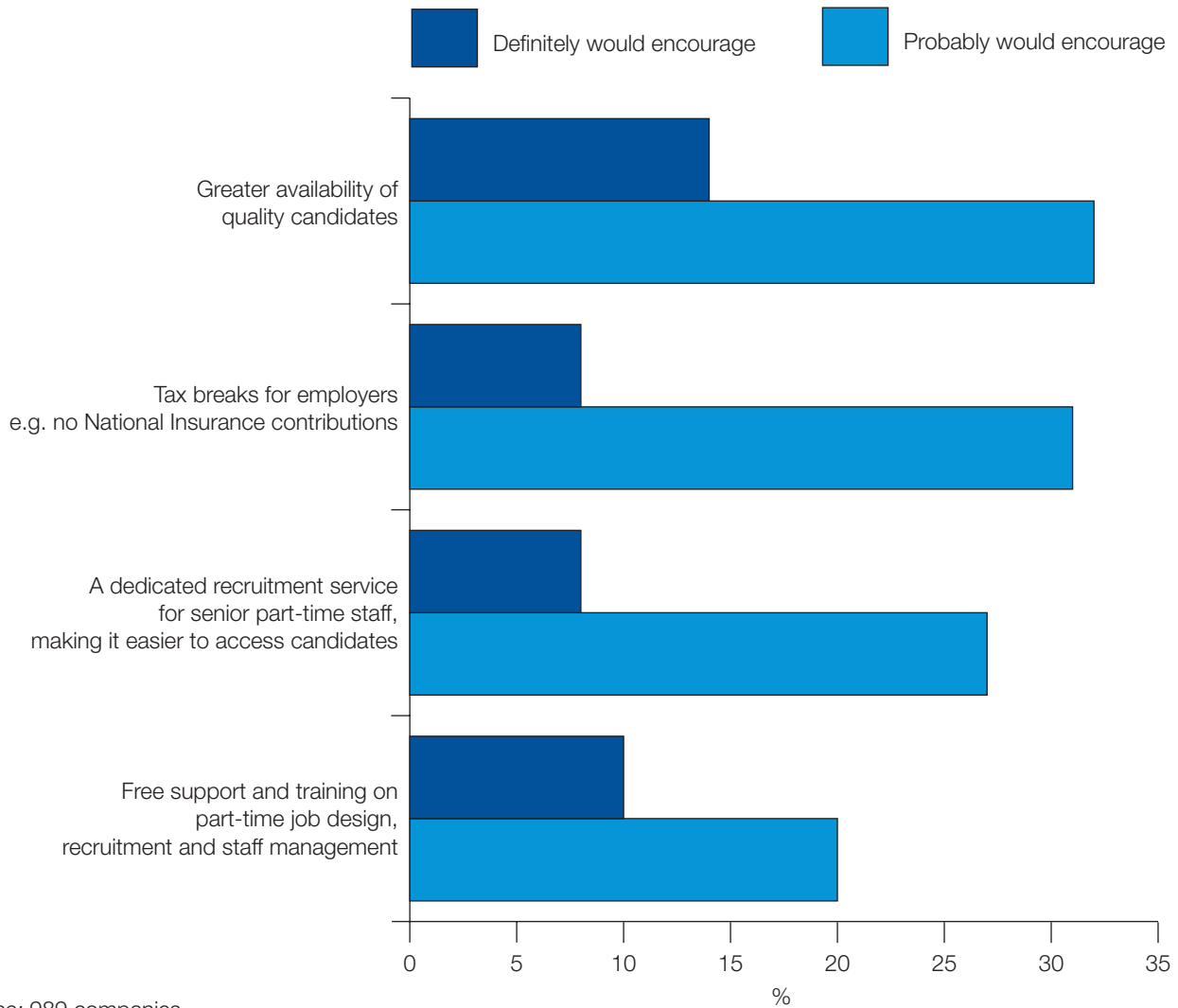
The last area that the survey looked at with employers were the various potential 'triggers' that might help boost levels of recruitment of £20,000+ FTE part-time roles (see Figure 11).

The most commonly reported trigger (46 per cent) that employers said would probably or definitely result in them recruiting more quality part-time employees was there being a greater supply of suitably qualified candidates. Other commonly reported incentives included tax breaks, dedicated recruitment services, and support and training on how to adapt to employing people on a part-time basis.

However, apparent levels of engagement with these incentives as a whole were fairly low. More information and clarity might be required to develop higher levels of engagement or to explore other incentives to help/enable employers to increase their recruitment of part-time staff.



**Figure 11: Encouraging a more active part-time recruitment market – triggers for encouraging a positive employer response**



## 4 Demand for quality part-time candidates – qualitative survey

In the previous chapter we set out the results of the quantitative employers' survey. To complement that analysis, more in-depth qualitative interviews were undertaken with a sample of employers who employed part-time staff in 'quality' roles, a sub-sample of whom had also recruited at this level. The qualitative research looked to explore themes covered in the quantitative research around employer perceptions and insights associated with part-time employment and recruitment. The interviews sought to investigate past experiences, operational issues and other factors that had an impact on their recruitment decision-making process; and ways in which future marketing strategies that aim to expand the level of quality part-time recruitment roles can be better informed.

In summary, the qualitative research findings are presented across four key themes:

- *Key determinants of the acceptance of part-time posts:* This was divided into two key themes: the senior management mindset that shaped the attitudes of the entire company; and operational factors such as the business depending on client-facing staff who were expected to be available at all times.
- *Underlying attitudes to part-time employment:* Overall, employers felt that part-time working was accommodated rather than embraced. Those who had not yet recruited a part-time £20,000+ FTE (full-time equivalent) employee did not perceive a need to think differently and therefore change their approach. However, those who had recruited at this level cited many benefits and few disadvantages.
- *The recruitment process for part-time roles:* The approach for recruiting new part-time staff was the same as for full-time staff. However, there were challenges to recruiting part-time staff, relating to greater choice of full-time candidates and greater incentives to recruitment agencies to propose full-time candidates.
- *How to stimulate the part-time recruitment market:* Three themes emerged:
  - the need for evidence that the part-time candidate pool is as good, if not better, than the general pool;
  - the need for strong evidence (case studies) of employers who had successfully recruited part-time workers, resulting in demonstrable efficiency/benefits;
  - once part-time employees have been recruited, the benefits are experienced and this creates a virtuous circle for further part-time recruitment.

The methodological approach and further detail on the size/composition of the sample for the qualitative aspect of the research is included in Appendix 2.

## Key determinants of the acceptance of part-time posts

Two key determinants for the recognition and acceptance of part-time employment in the workplace emerged following discussions with employers: 'senior management mindset' and 'operational factors'.

### Senior management mindset

The attitudes of directors and the official or unofficial policies set by them had a prevailing influence, shaping the ethos in the business around recruitment practices. Some interviewees who were human resources (HR) professionals felt that there could be a disconnection between what the HR department believed or advocated and its ability to put this into action because of the workplace culture that was generated by the attitudes and beliefs of senior management.

The attitudes of directors appeared to be strongly influenced by the nature of the organisation. For example, charities and education were sectors that seemed more open to part-time working than were those with a more explicit commercial focus; one interviewee was from an autism care charity, where 98 per cent of employees worked part time.

Where businesses were resistant to part-time working, several interviewees explicitly expressed the view that any change would be slow. Furthermore, businesses that were more accepting of part-time employment were those that had had a greater positive experience of it.

However, there was recognition that such change was already happening, driven by changing attitudes, wider acceptance and societal shifts (e.g. lifestyle demands, an ageing population, changes in new technology enabling remote and constantly connected communication etc.). As one employer said:

*'Ten years ago, I just wouldn't have seen an investment director taking a part-time role, but we now have a group tax manager on three days a week and a marketing manager on three and a half days a week and it works fine.'*

### Operational factors

Operational factors relate to the functional operating processes, which are seen as the most efficient way of running the business.

From discussions with employers, certain roles were seen to have a poor operational fit for part-time employment. This particularly applied to professional client-facing staff who were needed to be on call at all times, where client servicing responsibilities could be risked and ultimately revenue generation inhibited by staff working part time.

One respondent, from an advertising agency, explained that their core business was based on young, ambitious, "always connected" advertising executives. A second, from an architectural consultancy, claimed to be hugely reliant on highly trained, client-facing architects who needed to be readily available at all times. More generally, there was a concern from employers that even with non-client-facing roles, part-time employees equated to diminished business continuity.

Across the sample as a whole, most respondents indicated a potential issue or barrier associated with filling part-time roles at the higher end of the salary/seniority scale. There was a definite perception that part-time employment was incompatible with senior managerial responsibility, especially when a team needed to be supported every day of the week. Doubts were also expressed over the ability to fulfil the responsibilities of a senior role in part-time hours.

However, those employers who had a more positive experience with part-time employees did not express such concerns over operational capability. These employers cited examples where senior part-time roles worked successfully, provided the individual business case was well thought through: *"It's not a*

*question of seniority or salary, or about attitudes or policy per se, it's simply about making a sound business case that supports the change."*

## Underlying attitudes to part-time employment and recruitment

The overall attitude expressed by the employers was that part-time employment was 'accommodated' rather than overtly embraced.

It was recognised as a potentially useful retention tool, particularly responding to the needs of employees at key life stages, such as when returning to work from maternity leave, when seeking a new work-life balance and when approaching retirement. However, requests for part-time working were still reported as being considered on an individual merit basis, rather than automatically granted.

So that there was a better understanding of why there was an 'accommodation' rather than an 'embrace' by employers, those taking part were asked about their perceptions of the disadvantages of employing part-time staff in £20,000+ FTE roles.

However, as one respondent explained, it was more a case of the absence of hard evidence of the benefits of part-time workers than the reverse and that the recruitment ethos was mainly driven by senior team attitudes and operational factors (as discussed above).

Some HR respondents did mention the extra 'hoops' they had to go through when recruiting new part-time staff, such as calculating holidays, training hours, calculating benefits entitlements, and integrating employees' hours and responsibilities within the team structure.

On the whole, however, employers were more forthcoming about the advantages of employing part-time staff. The benefits cited included:

- part-time staff often being seen as harder workers/more committed/more appreciative;
- cost efficiencies;
- maximised productivity;
- a widened candidate pool;
- higher-calibre staff;
- lower attrition rates;
- expediency;
- mutual flexibility.

All businesses in the sample already employed part-time staff earning over £20,000 FTE, albeit the routes by which they came to do so differed, and an important finding to note here was the virtual absence of directly experienced (as opposed to perceived) disadvantages being cited in relation to part-time employment.

Building on the distinction identified in Chapter 3 between replacement demand and new part-time jobs, employers were next asked about their experiences in this area.

### Replacement demand

Among employers who had experience of directly recruiting part-time employees, there was strong overall support and acceptance for re-filling existing part-time roles that became vacant. Replacing like with like was seen as helping to maintain the status quo, and continuity was noted as being a sought-after commodity in HR terms: *"HR is all about consistency and stability and not taking a positive situation for granted."*

Among employers who had not yet recruited part-time staff, there was uncertainty and ambiguity about replacing part-time resignations with staff working similar hours. Some respondents said that their preference would be to seek to make the role full time.

Across employers who had and who had not recruited part-time staff, the research found strong resistance to considering part-time employees as a solution when a full-time employee resigned. Nevertheless, one interviewee did report an instance where a full-time management accountant left the organisation and had been replaced by a part-time manager and a part-time assistant.

## New part-time jobs

Newly created part-time roles were a fairly rare occurrence. However, they were not unheard of and one employer mentioned the creation of a part-time senior finance executive (computer consultancy) and another a part-time press administrator (architectural consultancy).

In discussions with employers who had never recruited part-time staff, the research explored specific circumstances in which part-time employment might provide a recruitment solution to a business problem. The following key points emerged:

- When a full-time employee requested part-time status and there was a need to cover the rest of the workload, there was little or no interest in recruiting a jobshare partner. Responses focused more on whether the business would/would not accept the request, the implication being that the 'lost' hours would simply be absorbed by existing staff or by the next full-time recruit.
- If the business was growing and there was a need to take on extra resource, but there was insufficient work to justify a full-time appointment, the predominant response was that a 'stop gap' approach may be more prudent, such as recruiting temporary or freelance support until a full-time role could be created.
- When the need for a highly specialised role occurred, but there was insufficient work to justify a full-time appointment, there was relative interest in this concept. However, the need was connected to candidate shortage rather than full-time/part-time status. The problem resonated with the struggle to find staff resource for highly specific areas such as tax, compliance, professional competence and actuaries.

*'At the moment, we are struggling to find good actuaries – so although in the past we would always insist on full-time roles, sometimes you need to be pragmatic and realise that the only way to get close to filling a role, is to be flexible.'*

Thus, in areas where there is a national skills shortage, full-time versus part-time is not the primary issue; it is more about sourcing an acceptable prospective candidate, on their terms if necessary.

## The recruitment process for part-time roles

The majority of respondents described the decision-making process underpinning the creation of new roles as the same or similar for part-time and full-time roles. The process started with the identification of need; the relative merits of part-time versus full-time being discussed with senior management and the HR team; and the job description being signed off accordingly, including agreement on the potential source of candidates (internal and/or external).

A decision to create a part-time role was noted as sometimes being a function of budgetary imperative, such as when funding was tight and part-time roles were seen as contributing to cost-efficiency.

When it came to the methods used for recruiting part-time staff in contrast to full-time staff, no major differences were found. All respondents used multiple channels for all vacancies, with recruitment agencies seen to be the most consistently successful route, followed by press advertisements. Online jobsites

had been used by just under half of the sample, but were considered to be hit and miss. All respondents regularly received speculative applications and also sought personal recommendations, but these routes appeared to lead to an appointment only occasionally.

However, the recruitment process for part-time employees was seen as a greater challenge than for full-time employees, for the following reasons:

- the full-time candidate pool being very much larger than the part-time pool;
- recruitment agencies being more keen to focus their offer at the full-time market, as recruitment fees were higher for full-time roles, for the same, if not less, amount of work.

Given employers' previously mentioned preference for using recruitment agencies, especially for more senior roles, this latter point poses a barrier to the development of the quality part-time labour market.

## How to stimulate the part-time recruitment market

The final part of the qualitative research looked at ways to stimulate the part-time recruitment market and responses were separated into non-recruiters of part-time staff and part-time recruiters. This was to see whether there were different insights between the two groups into how the part-time recruitment market might be stimulated.

### Non-recruiters of part-time staff

Among the non-recruiters of part-time staff, the key for this group was to convince senior management and recruitment decision makers of the merits of employing staff on a part-time basis. It was evident from respondents' accounts that creating a compelling or engaging 'sales story' that provided the impetus to think in a new way would need to be shaped from:

- evidence that the part-time candidate pool is as good, if not better, than the general pool;
- strong evidence (case studies) of employers who have successfully recruited part-time workers, resulting in demonstrable efficiency/revenue improvements;
- evidence of how part-time employment can impact favourably on staff working relationships and morale.

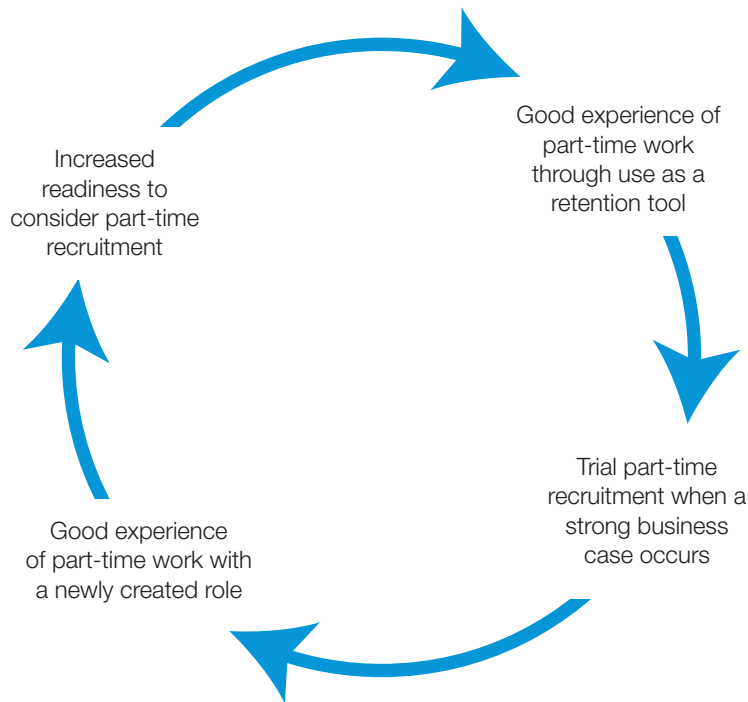
### Recruiters of part-time staff

As mentioned previously, few disadvantages were identified by employers once they had experienced part-time recruitment, and many benefits were cited. Among the recruiters of part-time staff, the 'virtuous circle' shown in Figure 12 was identified. This was shaped by several respondents likening the issue to a 'tipping point' scenario in that proof of success was considered as going a long way to supporting future arguments in favour of part-time recruitment.

Four scenarios were put to all respondents to examine ways in which growth could be stimulated in part-time recruitment:

- The removal of National Insurance contributions on part-time salaries: The initial response to this was highly favourable, as this was seen as likely to improve 'the bottom line'.
- Free advice and support on how to recruit and manage part-time staff: This resonated with the previously mentioned need for evidence that sells the part-time story in a more compelling and

**Figure 12: The virtuous circle of part-time recruitment**



engaging way. It was seen as particularly relevant to organisations with a small HR department, presumably because such companies were more likely to need external support. It is important to note that respondents felt that the advice and support would need to be underpinned by an independent/unbiased source.

- A specialist part-time recruitment service with a high volume of quality part-time candidates: This option was perceived to respond directly to the requirement of having a critical mass of suitable part-time candidates, in order for part-time recruitment to be sensibly considered. All respondents expressed the view that a specialist service would need to have a “*differentiating story to create their USP [unique selling point]*” such as sector specialism rather than being an amorphous pool for staff wishing to work part time; case histories as proof of success; and account handlers with knowledge and understanding of industry sectors etc.
- A jobshare register to find quality jobshare partners when existing staff request part-time status: Job sharing was something of an unknown quantity; there was lack of confidence about the ease of matching and agreeing on the respective skills, hours and other relevant facets of shared roles. The residual negative opinion appeared to be associated with past bad experience:

*‘We tried this sort of thing once before for an admin role, but one of the jobsharers decided to announce their retirement very soon after the job was assigned. Not a happy outcome given the effort we put into making it work.’*

Finally, specific marketing messages were tested with respondents. The test messages were as follows:

- ‘You get a £40,000 candidate for £20,000 by recruiting part time.’
- ‘People wanting part-time work give back in commitment what they get in flexibility.’
- ‘Recruiting part time means no waste, no slack.’
- ‘You get more talent in less time.’

- A short candidate case study.
- A short employer case study.

The employer-led case history approach was generally seen to be relevant for those with no real experience of part-time recruitment. Opinion was divided on most other messages. For example, some felt that ‘Part time means no waste, no slack’ delivered a clear benefit in a punchy and direct way, while others felt that it *“makes an employee sound like a disposable consumable”*.

However, one clear favourite emerged: ‘People wanting part-time work give back in commitment what they get in flexibility.’ This was felt to be a fair representation of the mutuality/quid pro quo associated with good employer–employee relationships. Moreover, while the issue of cost is not explicit, the message provides implicit support for the value argument.

*‘That’s a good one – it’s a much neater way of recognising the mutually beneficial interest at the heart of a relationship between an employer and employee. But I think possibly it goes a bit further in recognising that the employer also has to go through a few hoops to deliver job conditions that are attractive to the employee.’*

In the final chapter, all the insights from the research are drawn together to make recommendations for building a sustainable part-time recruitment market.



# 5 Conclusions and recommendations

## Conclusions

At the beginning of the research process there were a number of factors influencing the design and scope of the work. There was a distinct lack of evidence around the size and scope of the part-time recruitment market in London, as well as any quantifiable evidence on the wider (positive) effect of getting more workless mothers into quality part-time employment and how this could support government priorities. At the same time, further insights were needed to help to understand why employers favoured recruiting full-time employees and what more could be done to present a positive business case to influence their recruitment decisions.

This work has now started the process of building a more robust evidence base for policy-makers and employers alike.

Key conclusions from the research are:

- There are approximately 82,000 women with the potential to earn £20,000+ FTE (full-time equivalent) currently not in employment in London in employment or under-employed on a salary below their skill level.
- If more mothers were employed in quality part-time jobs, potentially 20,000 families would be lifted out of poverty and up to 17,000 mothers could move off out-of-work benefits in London.
- One significant barrier to supporting mothers into quality part-time jobs is the imbalance that exists in the part-time recruitment market. There is currently a strong correlation between part-time work and low pay: only 3 per cent of vacancies in London are for part-time roles with a salary of £20,000+ FTE, while 20 per cent of vacancies are for lower-paid, part-time roles. This is in sharp contrast to the full-time market, where the majority of roles pay over £20,000.
- This points to a particular difficulty for candidates who are out of the labour market and looking for a part-time role earning £20,000+. There is only one such vacancy for every 18 full-time vacancies at this level. There is also only one such vacancy for every seven lower-paid, part-time vacancies.
- One of the reasons behind the relatively small size of the quality part-time recruitment market is that many employers think of the part-time role primarily as a retention tool. Retention is, of course, a beneficial practice for businesses. However, for almost half of all part-time roles, there was never an advertised vacancy. Moreover, when a part-time employee resigns, only a minority of employers choose to replace the role on a part-time basis. The implication for mothers is that, while they may be able to return to an existing employer on a part-time basis, they face a considerable challenge when switching jobs or finding part-time work after a break from work.

- There is a clear need to grow the part-time recruitment market if the needs of mothers are to be met. However, the research found that part-time work is accommodated by employers, rather than openly embraced, and that resistance to part-time roles increases at higher salaries.
- For some employers, the practice of recruiting quality part-time employees simply does not occur, while many others are openly resistant to it. Fifty-two per cent of employers who have not yet recruited at this level reported an unofficial preference against quality part-time recruitment and 9 per cent said that there was an official company policy against it.
- These underlying attitudes are strongly influenced by senior company mindset and specific operational considerations – factors that may be difficult to change, therefore suggesting that progress in growing the part-time recruitment market may be slow.
- However, there are some encouraging areas. The most significant of these is that, among employers who have practical experience of recruiting quality part-time employees, there appears to be a virtuous circle and a readiness to recruit again. This subset of employers cite many benefits of part-time working, and very few disadvantages. This suggests that the market will grow as experience spreads.
- Sixteen per cent of employers report that they frequently or sometimes fill full-time roles with part-time candidates. This figure rises to 45 per cent among employers who report that they always advertise vacancies with the option to work flexibly. Encouraging more employers to open up their full-time roles in this way may lead to greater part-time opportunities for mothers – clearly, some employers are able to find their preferred candidate in this way.
- Further encouraging areas include: 46 per cent of employers say that they would consider recruiting more quality part-time staff if they are presented with a greater supply of suitable part-time candidates; organisations with more than 50 per cent female representation on their governing board show a greater propensity to recruit part-time; and the voluntary sector is also more open to part-time recruitment.
- Finally, in terms of how the part-time recruitment market might be stimulated in the future, the research found that employers need evidence of the benefits. Specifically, they need evidence that the part-time candidate pool is as good, if not better, than the general pool; also, they need case studies of employers who successfully recruit part-time workers, resulting in demonstrable efficiency/benefits to the business.

## Recommendations

This leads us to make the following recommendations:

- This research is the first building block for creating a more detailed and insightful evidence base on the ‘quality’ part-time employment market. Undertaking this research has highlighted that little is known about the quality part-time market. To build a better collective understanding, greater monitoring and further research are needed. Central government and the Office for National Statistics should monitor part-time vacancies across all employers as part of their vacancy survey, particularly by salary band. At a London level, the London Skills and Employment Observatory, GLA Economics and other research partners should prioritise further investigation into the quality part-time vacancy market and the positive impacts that it could have on related policy.

- Current government policy is highly focused on making work pay for lower-skilled mothers through welfare reforms. Consideration needs to be given to how better to support mothers with higher-level skills for whom the significant barrier is finding better-quality, part-time work, not just part-time work. The gains to government in doing this will be in terms of both reduced benefits claimed and also the opening up of further part-time employment opportunities for women with lower skills who are currently crowded out of the labour market.
- Government welfare reform policy and child poverty strategies should give consideration to how to stimulate demand from employers for higher-quality, part-time jobs and develop recruitment market solutions to support these candidates. To do this, the welfare-to-work agenda needs to move from developing ‘work first’ solutions to ‘employer first’ solutions. This will respond to the growing interest among employers in getting practical help for taking on quality part-time staff. The Department for Business, Innovation and Skills and the Department for Work and Pensions should investigate ways in which existing budgets can be used to trial new measures and innovative approaches in support of this, such as a free helpline on part-time job design.
- Government, policy-makers and employer intermediaries such as the Confederation of British Industry, the British Chambers of Commerce and the Federation of Small Business need to be encouraged to move debate away from legislation and focus on business benefits/part-time job creation as an aid to the growth agenda.
- The lack of quality part-time vacancies (£20,000+ FTE) will need to be addressed if government wants to see an increase in mothers in work, rather than on out-of-work benefits. Tackling this market failure through a new recruitment agency model (rather than legislative change or a purely lobbying approach) clearly has potential – once at scale – to do more for less (in terms of reducing welfare dependency) in helping low-income workless mothers to increase their household income through better-quality, part-time work. However, to stimulate interest from employers and to grow such a market at scale will require both investment and an approach driven by social as well as financial impacts.

# Appendix 1

## Methodology (quantitative)

### Estimating the number of mothers with the potential to earn £20,000 FTE

This appendix provides more detailed information about how the analysis was carried out to estimate the number of mothers with the potential to earn £20,000 FTE (full-time equivalent) and the potential positive impact on addressing child poverty. The assumptions used for estimating earning potential are explained first, followed by each part of the analysis.

#### Defining 'earning potential'

The original methodology for this work looked at using mothers' earning levels pre-motherhood as a proxy for earning potential after having had children. However, neither the British Household Panel Survey nor the longitudinal Labour Force Survey had sufficient numbers in London to analyse mothers (pre and post motherhood) by qualification level.

Therefore, the static Labour Force Survey (LFS) data was used as it had a high number of respondents in London and enabled us to look at mothers by qualification levels. To ensure the reliability of our findings, we calculated aggregated four quarters of data from 2010. Therefore, all the LFS results in this section are based on 2010 data (four-quarter averages).

Households Below Average Income (HBAI) data is often used for poverty analysis, and our findings were compared against Department for Work and Pensions' published HBAI reports and other analysis of HBAI data. The numbers of lone parents in poverty were consistent in both sets of analysis. However, the proportion of couple families in poverty in which one parent worked was lower in our analysis compared with HBAI analysis and it was not possible to completely reconcile the differences. This suggests that our estimate of 20,000 mothers being lifted out of poverty if they entered part-time work earning £20,000+ FTE should be treated as a minimum estimate, with the true figure likely to be higher than this.

Non-mothers' earning levels were used as a proxy for earning potential of mothers (disaggregated by qualification). We used non-mothers (women only) rather than non-mothers (men and women) to avoid overestimating the earning potential of mothers as men on the whole were more likely to earn £20,000 per annum than women (see Table A1).

The proportion of non-mothers earning £20,000 FTE was higher if non-mothers included both men and women, compared with non-mothers being women only. This was likely to be due to men working full time having higher salaries on average than women working full time, and the age profile of women without dependent children, which was generally aged under 35 years old or aged 45 or above.

### Estimating the number of mothers with the potential to earn £20,000 FTE

For this analysis, mothers who were full-time students and mothers with a child under the age of one were excluded on the basis that they may not be in a position to take a part-time job. However, our analysis did not attempt to estimate how many of these mothers were looking for work or wanted to work. The starting point for this analysis was the 1,072,000 mothers in London, which dropped to 908,000 mothers after excluding full-time students and those with a child aged under one.

**Table A1: Percentage of non-mothers and mothers earning £20,000+ FTE per year in London (2010)**

	% of non-mothers (men and women) in work earning £20,000+ FTE	% of non-mothers (women only) in work earning £20,000+ FTE	% of mothers in work earning £20,000+ FTE (%)
NQF Level 4 and above	82	80	77
NQF Level 3 and trade apprenticeships	58	52	38
NQF Level 2	52	53	41
Below NQF Level 2	41	35	21
Other qualifications	37	35	34
No qualifications	27	14	18

Source: Inclusion's analysis of the 2010 LFS (four-quarter average)

Two methodologies were used to produce two headline figures, each of them relating to all mothers either workless or currently earning under £20,000 FTE. The first methodology was the number of mothers either workless or earning under £20,000 FTE multiplied by the number of in-work female non-mothers earning at that level (disaggregated by qualification). It produced a maximum value for the additional potential of mothers to earn £20,000 FTE or more, assuming full employment and that all were capable of work.

$$\begin{array}{l} \text{Number of mothers} \\ \text{with potential to earn} \\ \text{£20k FTE or more} \end{array} = \begin{array}{l} \text{Number of mothers either} \\ \text{workless or earning under} \\ \text{£20k FTE} \end{array} \times \begin{array}{l} \text{Number of in-work} \\ \text{female non-mothers} \\ \text{earning at that level} \end{array}$$

The second methodology involved multiplying the total number of mothers by the number of all-female non-mothers (not just those in work) earning over £20,000 FTE, and then subtracting those mothers who already earned over £20,000 FTE (disaggregated by qualification). It produced a value for the additional number of mothers who would earn over £20,000 FTE if the inequalities between mothers and non-mothers were eradicated, assuming the current employment rate of non-mothers (rather than full employment as in the first methodology). In other words, this methodology involved closing the earnings gap between mothers and non-mothers. Unlike the first methodology, it did not assume full employment and therefore did not assume that all mothers were capable of work.

$$\begin{array}{l} \text{Number of mothers likely to} \\ \text{earn £20k FTE or more if had} \\ \text{same employment levels as} \\ \text{women without children} \end{array} = \begin{array}{l} \text{Number of all} \\ \text{mothers} \end{array} \times \begin{array}{l} \text{Proportion of} \\ \text{ALL female non-} \\ \text{mothers earning} \\ \text{at that level} \end{array} - \begin{array}{l} \text{Number of} \\ \text{mothers earning} \\ \text{£20k FTE or} \\ \text{more} \end{array}$$

The results of these two methodologies can be expressed as follows:

*'Up to 213,000 mothers in London [the figure from the first methodology] who do not currently earn over £20k FTE have the potential to earn £20k FTE or more. If mothers achieved the same employment rates and wage levels as non-mothers then an additional 82,000 [the figure from the second methodology] would earn £20k FTE or more.'*

The first sentence expresses maximum additional potential of mothers, but is unrealistic in terms of outcomes that could actually be achieved (mothers will never have 100 per cent employment). The second sentence expresses a refined target for maternal employment as it is more closely aligned to the actual situation of women without children in the current labour market.

Approaching the problem in this way ensured that we did not misrepresent the ability and needs of mothers currently earning under £20,000 FTE in relation to the ability and needs of workless mothers.

### **Estimating the number of mothers who would move their families off benefits**

We used the LFS to estimate the proportion of families on out-of-work benefits:

- 63 per cent – workless lone parents;
- 62 per cent – workless couple parents;
- 5 per cent – families in which one parent works.

These proportions were applied to the number of workless families and families in which one parent worked. This gave us a figure of 11,000 mothers. However, we know that the LFS can underestimate the number of benefit claimants due to the way in which the benefits information is recorded. Furthermore, only 63 per cent and 62 per cent of workless families being on out-of-work benefits seem low. By assuming that 100 per cent of workless families were on benefits and 5 per cent of families in which one parent works, we got a figure of 17,000 mothers. Therefore, we estimated that the number of mothers who could lift their families off out-of-work benefits was between 11,000 and 17,000 but we could not estimate it more accurately than this.

### **Estimating the number of mothers who would lift their families out of poverty**

This part of the analysis was carried out in three stages:

1. examining the effect of moving into a part-time job earning £20,000 FTE on household income;
2. identifying those families in poverty who could be lifted out of poverty by moving into such a job;
3. estimating the number of mothers who could lift their families out of poverty by moving into such a job.

#### **Stage 1: The effect of moving into a £20,000 FTE job on household income**

This part of the analysis involved examining the effect on household income of mothers in 12 scenarios moving into part-time employment. In this stage we identified the difference in direct government spending on households in London for in-work and out-of-work situations, subject to a range of assumptions.

We ran multiple cases through a regularly updated, adviser-standard benefits calculator (Ferret). This produces the Social Security Benefit, Tax Credit, Income Tax and National Insurance payments and receipts in the in-work and out-of-work situations. These costs and benefits are attributed to different household types.

The methods we employed using Ferret software are similar to those undertaken by welfare rights advisers in calculating whether or not (and by how much) a claimant would be better off in work. An FTE salary of £20,000 per annum equates to £11 per hour and £242 per week (gross).

We made a number of constraints and assumptions for the modelling as it was not possible to assess all family scenarios:

- Every adult was aged 35.
- Private rent was set at £206.90 per week (Communities and Local Government data for 2006–08) and £84.80 for social rent (Communities and Local Government registered social landlord rents data for 2008) and was not varied.

- Local Housing Allowance was based on £184 per week (two-bedroom property) and was not varied.<sup>15</sup>
- The key scenario was of people moving into part-time employment of 22 hours per week, which was the average number of hours worked by part-time workers in London (GLA, 2011). The effect of moving into 16, 20 and 24 hours of part-time employment per week was also examined.
- In scenarios with one of the partners already in employment, we used the National Minimum Wage and London Living Wage with the person working full time (35 hours per week).
- Council Tax was £25.15 per week (for couples) and £18.87 per week (for single parents) based on the 2011/12 average for London boroughs.<sup>16</sup>
- Child Benefit was automatically calculated by Ferret based on the criteria above.
- For lone parents, maintenance income was set to zero.
- All scenarios assumed that people were not students and had no other sources of income (i.e. from savings).
- Previous year net annual income for tax credits purposes = £0.
- Childcare costs used in some scenarios were £97 per week for 25 hours per week of nursery care for children aged two and over (source: 2010 childcare costs survey, Daycare Trust<sup>17</sup>).
- The scenarios were typically based on families with one or two children. However, the effects of more children were tested in some cases.
- Other in-work costs for those moving from benefits to work were set to £26.76 per week and were not varied. This reflected the 2010 cost for a zone 1–3 travel card (source: Transport for London).

### **Stage 2: Identifying those families in poverty who could be lifted out of poverty by moving into a part-time job earning £20,000 FTE**

The household income after a mother moved into part-time employment earning £20,000 FTE was compared with the equivalised 60 per cent median poverty threshold AHC.<sup>18</sup> From this we were able to identify the following three broad groups of families: those who were lifted out of poverty, those who remained in poverty and those not living in poverty.

Scenarios of families who were lifted out of poverty were:

- workless lone parents;
- lone parents earning less than £180 per week;
- out-of-work mothers with a husband/partner earning £290 per week or more.

Scenarios of families who remained in poverty were:

- out-of-work couple families;
- mothers earning less than £290 per week with a husband/partner who was out of work.

Scenarios of families who were not living in poverty to start with and therefore could not be lifted out of poverty were:



- working lone parents earning £180 per week or more;
- out-of-work mothers with a husband/partner earning £290 per week or more (the equivalent to an adult working full-time, earning the 2011 London Living Wage);
- working mothers (earning less than £290 per week) with a husband/partner earning less than £290 per week);
- working mothers (earning £290 per week or more) with a husband/partner earning less than £290 per week);
- working mothers (earning less than £290 per week) with a husband/partner earning more than £290 per week);
- working mothers (earning £290 per week or more) with a husband/partner who was out of work;
- working mothers (earning £290 per week or more) with a husband/partner also earning £290 per week or more.

These scenarios deliberately simplify wide-ranging and potentially complex scenarios in which families live. However, it was beyond the scope of this research to identify more than the 12 scenarios outlined above.

### ***Stage 3: Estimating the number of mothers who could lift their families out of poverty by moving into a part-time job earning £20,000 FTE***

Having identified these 12 family scenarios, we then estimated how many mothers there were in London in each scenario using the LFS data. The LFS enabled us to easily identify whether a mother was a lone parent or not, and if so whether she earned more or less than £180 per week or was out of work. However, household income is not available in the static LFS. Therefore, for the scenarios based on mothers with a husband/partner, we applied the proportion of men with dependent children who earned more or less than £290 per week or were out of work (72 per cent, 10 per cent and 18 per cent, respectively), to the number of mothers with a husband/partner. This was applied to the number of mothers by qualification level who were out of work and in work earning more or less than £290 per week with a husband/partner. The estimates were then added together to provide an estimate for the three groups of interest in relation to poverty (lifted out of poverty, not lifted out of poverty and not in poverty to start with).

### ***Findings from £18,000 and £22,000 analysis***

The above analysis was replicated using £18,000 and £22,000 FTE salaries. Table A2 shows the headline findings for £18,000, £20,000 and £22,000 FTE salaries. This shows that the overall story remained the same, with around one quarter of mothers lifting their families out of poverty.



**Table A2: Headline findings for £18,000, £20,000 and £22,000 FTE**

	£18,000 FTE	£20,000 FTE	£22,000 FTE
Number of mothers with dependent children	1,072,000	1,072,000	1,072,000
Excluding full-time students and those with children aged under one	908,000	908,000	908,000
Mothers with the potential <sup>1</sup> to earn £18,000, £20,000 or £22,000 FTE (maximum potential)	247,000	213,000	184,000
Mothers could earn £18,000, £20,000 or £22,000 or more FTE if they had the same employment rates and wage levels as women without children	98,000	82,000	81,000
Number of mothers who could lift their families out of poverty	24,000	20,000	19,000
Number of mother who could move their families off out-of-work benefits	13,000 to 21,000	11,000 to 17,000	10,000 to 15,000

<sup>1</sup> Potential here was based on the proportion of working women without children who earned the same amount (£18,000, £20,000 or £22,000 respectively) or more in London.

Source: *Inclusion's* analysis of the 2010 LFS (four-quarter average) and income data using Ferret software

# Appendix 2

## Methodology (employer research)

### Demand for quality part-time candidates – quantitative research

A total of 1,000 interviews were conducted, by telephone, supported by a Computer Assisted Telephone Interviewing (CATI) system.

In order to qualify for inclusion in the survey, prospective respondents needed to have decision-making responsibility vis-à-vis company recruitment. By job title, this was limited to HR (at director, manager or senior executive level), chief executive officer, board director, owner, co-owner, partner, department head or senior manager.

Companies were approached at random, subject to the following considerations:

- all companies required to employ at least two individuals;
- the sample as a whole to contain sufficiently large subgroups representing the following four categories: two to nine employees; 10 to 49 employees; 50 to 249 employees; 250+ employees; and
- the sample as a whole to represent a broad spread of industry sectors, reflective of the incidence of sectors within the London region.

The data relating to eleven respondent records (1.1 per cent of the original sample) was removed as these respondents were judged to be outliers and likely to introduce a significant degree of bias to the overall data. These eleven outliers fell into one or both of the following categories:

- their business belonged to the recruitment/HR sector – in these cases, we wanted to eliminate the risk of the response data from these individuals inadvertently including data relating to their temporary agency staff;
- respondents' reported number of vacancies represented 40 per cent or more of their total employee roll, which is disproportionately high and potentially spurious.

Critical to the precision of the output was a requirement for respondents to have a high level of understanding and knowledge of precise employee numbers and related subdivisions on part-time and full-time status, and on salary. To reflect the likely variability on this dimension, we included a series of questions that allowed respondents to self-appraise their confidence regarding the likely accuracy of their numerical answers. Ultimately, this provided us with a means by which to exclude potentially spurious numerical data from sizing calculations, while maintaining important attitudinal data.

In this respect, the numerical data from 100 respondents (10 per cent of the original sample) was excluded from the output, based on answering in one or more of the following ways:

- “*just a guess*” in estimating the number of part-time employees earning £20,000+ FTE (full-time equivalent);
- “*just a guess*” in estimating the number of part-time vacancies in the £20,000+ FTE category;
- “*rough estimate*” in estimating the number of part-time employees earning £20,000+ FTE (companies with 250+ employees);

- “*rough estimate*” in estimating the number of vacancies in the £20,000+ FTE category (companies with 250+ employees).

Finally, a weighting protocol was applied to ensure sample representativeness in respect of known data relating to the distribution of employers in the London region.

The weighted sample was also inspected to compare the extent to which key industry sectors were suitably reflected. This confirmed, in the most part, a good match between the sample and population distributions. Where there was found to be an element of variance (e.g. education accounted for 7.1 per cent of the sample but 1.2 per cent of the employment base), we established that the breakdown of vacancies within the subgroup was in line with the sample overall. This precluded the need to weight by sector, as any such weighting would have imposed a negligible impact on the final data.

## Interpretation and reporting of data

The margin of error implicit in a survey comprising 1,000 completed questionnaires, based on a survey statistic of 50 per cent (at the 95 per cent confidence level) is  $\pm 3.1$  per cent. In a survey of 889 companies, i.e. the re-sized total sample (reflecting removal of outliers and ‘non-confident’ responses), the corresponding margin of error is  $\pm 3.3$  per cent. Survey statistics of less or more than 50 per cent, under

**Table A3: Margins of error for various subgroup sample sizes**

Subgroup sample size	Margin of error (%)
500	$\pm 4.4$
300	$\pm 5.7$
100	$\pm 9.8$

the same sample size conditions, will have narrower margins of error. Example margins of error for various subgroup sample sizes, based on a survey statistic of 50 per cent, are shown in Table A3.

# Appendix 3

## Topic guide for employer interviews

### Background/warm-up

- Introduction on confidentiality, non-attribution etc.
- Clarify that the interview is about part-time roles with the focus on roles paying £20,000 or more FTE (full-time equivalent), defined as:
  - permanent staff who work a maximum 30 hours per week;
  - £20,000 or over meaning FTE, not actual annual salary.
- Confirm that the company employs people in part-time roles at £20,000+ FTE.
  - How many?
  - What roles/salaries?
- Confirm whether the company has recruited people to part-time roles at £20,000+ FTE.
  - How many?
  - How recently?
  - What roles/salaries?
- Explore reasons for having part-time £20,000+ FTE roles – to retain staff versus newly created part-time role versus other.
- Probe how open the business is to part-time roles generally, for example where does it lie on the scale of ‘always open to part time to get the best candidates’ through to ‘only recruit part time when we have to – prefer to recruit full time if possible’?
- Probe any differences in attitude to part-time roles as the salary/seniority increases (e.g. head of/director titles or >£40,000 roles).

### General attitudes to part-time staff

- Probe positive/negative views of part-time working arrangements, based on their experience. If necessary, prompt:
  - Is the transition from full time to part time usually an easy one?
  - Do the hours worked fit with your business needs?
  - How does the motivation/loyalty/productivity of part-time staff compare to full-time staff?
  - Are there any issues around inflexibility over the hours worked by part-time staff, or continuity of work?
- Probe any differences in attitude to part-time staff as the salary/seniority increases.

## Recruitment process for part-time roles >£20,000

(Only ask of employers with specific recruitment experience of part-time >£20,000 roles.)

- How did the part-time vacancies arise?
  - Was it to replace an existing part-time employee? If yes, probe how ‘automatic’ a decision this was. Did they deliberate over whether to try to absorb the work or increase the role to full-time hours? Would they have preferred either of these options, or were they perfectly happy with the part-time arrangement? If preference is against replacing part time if possible, explore reasons for this and whether support to find good-quality part-time candidates might overcome resistance.
  - If it was a newly created part-time role, probe circumstances + how easy a decision was it to go for a part-time role?
- Is the decision-making process around job-creation of part-time roles the same as or different from that for full-time roles? Explore any differences that emerge.
  - How and where did you source candidates for your part-time vacancies, and do you tend to use a single recruitment method or multiple methods? Record any specific mentions re:
    - recruitment agency (specialist sector/specialist part time/local/general);
    - press advertisement (in local/national/trade newspaper or publication);
    - online jobs board advertisement (specialist sector/specialist part time/local/general jobs board);
    - advertisement on own website;
    - candidate wrote speculative application to the business;
    - candidate was found through personal recommendation.
- Do you find it easier/harder to recruit part time versus full time, and what/why are the differences? (Look for differences in finding quality candidates, and also differences in recruitment suppliers.)
- Might you consider using:
  - a part-time specialist recruitment agency?
  - a jobshare register, making it easy to find quality jobshare partners when existing staff want to go part time?

## Recruitment process for full-time roles >£20,000

- When you have full-time vacancies, do you advertise *flexibility* as an option? Note whether this is general policy or whether only for specific roles as appropriate.
- If they do advertise flexibility, explore their experience of this.
- If they do *not* advertise flexibility as an option ... why not?
  - Is it because it has never occurred to them to do this?
  - Or is there a definite preference for full-time wherever possible?

## Reasons for non-recruitment of part-time staff >£20,000

*(Only ask of employers who have never recruited part-time £20,000+ FTE workers)*

- Explore reasons for not recruiting part-time staff. Prompt if necessary: Is there a business policy only to offer part-time hours to retain existing staff? Is there a preference to recruit full-time whenever possible? If so, explore why.
- If there is negativity towards recruiting part time, explore who in the company the policy/attitude comes from.
- Probe whether perceived difficulty in recruiting/finding quality part-time candidates is a deterrent to recruiting.
- Raise the following hypothetical situations, where recruiting part time might be a solution, and probe their views:
  - What happens when a full-time employee asks to work part time? Have you ever considered finding a jobshare partner for them? If not, why not? And what happens about the shortfall in staff hours?
  - What about when a part-time employee resigns? Why have they never recruited a replacement part-time person?
  - Supposing business expands and the workload is too great for your existing staff, but you cannot justify an extra person full time. Would you consider recruiting part time? If not, why not, and what would do you do instead?
  - What about if you need specialist skills of a kind none of your current staff have, but not on a full-time basis? Would you consider recruiting part time?
- What might persuade you to recruit on a part-time basis in the future? After initial unprompted response, explore responses to the following possible incentives:
  - no employer National Insurance contributions on part-time salaries;
  - free advice and support on how to recruit and manage part-time staff;
  - a jobshare register, making it easy to find quality jobshare partners when existing staff want to go part time;
  - a specialist part-time recruitment service with a high volume of quality part-time candidates, making it easier to recruit.

## Possible messages to stimulate the part-time market

- Could anything persuade you to take on more part-time staff? After initial unprompted answer, ask if any of these messages might convince them:
  - ‘You get a £40,000 candidate for £20,000 by recruiting part time.’
  - ‘People wanting part-time work give back in commitment what they get in flexibility.’
  - ‘Recruiting part time means no waste, no slack.’
  - ‘You get more talent in less time.’
  - A short candidate case study, e.g. ‘Claire qualified as a chartered accountant with PricewaterhouseCoopers. She has ten years’ senior management experience, most recently as finance director of a £50 million business. Now she would like to work for your business, part time.’
  - A short employer case study, e.g. ‘Watson Craig Ltd needed a very senior professional to lead on HR. But creating a full-time post would have to involve a lot of routine tasks, and it did not make sense to pay a high salary for that. Recruiting an HR director for just 15 hours per week was the perfect solution.’

# Notes

- 1 'The risk of child poverty by work and family type', 2007 data from the Department for Work and Pensions.
- 2 *Inclusion's* analysis of 2009/10 Households Below Average Income data from the Department for Work and Pensions.
- 3 *Inclusion's* analysis of 2009/10 Households Below Average Income data from the Department for Work and Pensions.
- 4 'The risk of child poverty by work and family type', 2007 data from the Department for Work and Pensions.
- 5 Households Below Average Income, 2009/10, Department for Work and Pensions.
- 6 Office for National Statistics, as at May 2011.
- 7 *Inclusion's* analysis of the 2010 LFS.
- 8 <https://www.education.gov.uk/publications/eOrderingDownload/CM-8061.pdf>
- 9 For these calculations, the £20,000 FTE is £11 per hour. This stage of the analysis was based on someone entering a job of 22 hours per week (the average number of hours worked by part-time employees in London).  $11 \times 22 =$  a gross annual salary of 12,584, but this is still £20,000 FTE.
- 10 This assumes that mothers enter part-time employment of 22 hours per week.
- 11 See Appendix 1 for further discussion of how we estimated these 20,000 mothers who could lift their families out of poverty.
- 12 [www.minimumincomestandard.org/](http://www.minimumincomestandard.org/)
- 13 The data is based on combining data on the part-time proportion of the London workforce from the Greater London Authority, with data from the 2010 Annual Survey of Salary and Earnings (the gross hourly pay excluding overtime, assuming a 35-hour week, was used to equate to full-time equivalent, with an assumption that the proportion of employees at each pay level was straight-line in between the published data points).
- 14 The Office for National Statistics does not capture vacancy data by geography, and therefore an assumption needs to be made on the breakdown of vacancies by region. For the purpose of this estimate, it was assumed that the vacancy breakdown by regions matched the employee breakdown by region, in that it was assumed that 13 per cent (59,410) of the 457,000 vacancies as at May 2011 were in London.

- 15 Local Housing Allowance is a way of working out Housing Benefit. For this research it was based on an average of London rents excluding Central London. The rates were indicative of the new lower Local Housing Allowance rates from April 2011 based on the 30th percentile of rents in March 2011. Source: Valuation Office Agency, available at [www.voa.gov.uk/LHADirect/Documents/LHA\\_percentile\\_rates\\_Mar\\_2011.html](http://www.voa.gov.uk/LHADirect/Documents/LHA_percentile_rates_Mar_2011.html) (accessed 30 March 2011).
- 16 [www.communities.gov.uk/documents/statistics/pdf/1870215.pdf](http://www.communities.gov.uk/documents/statistics/pdf/1870215.pdf) (accessed 30 March 2011).
- 17 [www.daycaretrust.org.uk/pages/summary-of-the-childcare-costs-survey-2010.html](http://www.daycaretrust.org.uk/pages/summary-of-the-childcare-costs-survey-2010.html) (accessed 1 February 2012).
- 18 In Chapter 2 we set out the differences between BHC and AHC calculations.



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