

# Flexible or Secure Jobs?: Young Workers and Internships in Ireland and Spain

A Thesis Submitted by Amelia Dulee-Kinsolving, B.A., M.A, M.A., Irish Research Council Scholar (2014-2017), for the Degree of Doctor of Philosophy

Department of Law & Department of Sociology

National University of Ireland, Maynooth

Head of the Department of Sociology: Prof. Mary Corcoran

Head of the Department of Law: Prof. Michael Doherty

Supervisors: Prof. Michael Doherty & Prof. Seán Ó Riain

Date: November 2017



## **Table of Contents**

Tables	iv
Figures	v
Abbreviations	vi
Acknowledgements	ix
Summary	xi
Chapter 1: Introduction	1
Thesis Summary	3
Chapter 2: Flexicurity, Job Quality, and ALMPs	7
Flexicurity as a Policy Concept	8
Conceptualization and Empirical Determinants of Flexicurity	11
Approaches to Understanding Quality of Work	20
ALMPs and Employers	29
Conclusion	35
Chapter 3: Methodology	38
Epistemological and Ontological Orientations	38
Qualitative Research	39
Comparative Case Studies	40
Semi-structured Qualitative Interviews	43
Sampling and Data Collection	44
Contextualizing the Spanish and Irish ICT Firm Case Studies	46
Data Analysis and Coding	49
Ethics	51
Limitations and Reflections	51
Conclusions	53
Chapter 4: Irish and Spanish ALMP Systems	54
Irish and Spanish ALMP Investment	56
ALMP Types and Evaluations	58
Job Search Assistance and Monitoring	60
Labor Market Training	65
Employment Incentives	76
Direct Job Creation through Public Employment	80

Education and Training Systems: The Role of the State, Social Partners ar	nd the Firm 84
Training for Employment in Spain: CVT and ALMPs	84
Regulated or Initial Training: Spanish IVET	94
Training for Employment in Ireland: CVT and ALMPs	96
Irish Vocational Training	99
Conclusions	100
Chapter 5: Spanish and Irish ICT Firms and ALMP Engagement	103
Levels of Institutionalized Social Dialogue	105
The Capacity of the Public Employment Service	113
Trust in State Educational and ALMP Program Outcomes	119
Conclusions	126
Chapter 6: Flexible and Secure Jobs through ALMPs?	131
Job Quality in ICT firms	132
'Flexible and Secure' Job Quality Outcomes	132
Earnings	139
Working Time Quality	152
Skills and Discretion	161
Prospects and Internal Progression	170
Conclusions	179
Chapter 7: Segmented and Extended Entry Tournaments through ALMPs	185
Internal Entry Tournaments	186
'Slow' and Unstructured Internal Entry Tournaments	187
'Fast' and Structured Internal Entry Tournaments	190
The Intersection of Institutions and Firm Production Strategies	198
ICT firms: Internationalization and Human Capital	202
Conclusions	206
Chapter 8: Conclusion	210
The Contributions of the Study	216
Literature	217
Methodology	221
Policy Recommendations	222
Conclusions	224
Bibliography	225
Annendix A: Interviewee Information	247

Appendix B: ALMP Programs by Type- Ireland and Spain 2017	249
Appendix C: Consent Forms and Research Guidelines	254
Appendix D: Research Guides	260

## **Tables**

Table 1: The Flexicurity Matrix	12
Table 2: Summary Table of Spanish and Irish ICT firms	48
Table 3: Total Expenditure on Active Labor Market Policies (%GDP)	56
Table 4: Spending on ALMPs by Type in Ireland and Spain, 2007 & 2015	60
Table 5: ALMPs by Number of Participants	77
Table 6: Participants by ALMPs, Ireland and Spain (% of share of total ALMPs)	80
Table 7: Professional Training for Employment in Spain	85
Table 8: Firm Training Credits by Firm Size	86
Table 9: Share of Training in Spanish Firms by Training Type, 2015	88
Table 10: Professional Training for Ireland	97
Table 11: External and Internal Flexicurity Models	137
Table 12: Analytical Categories and Examples of Contributions to Flexicurity	138
Table 13: Summary of Flexible and Secure Jobs in ICT firms in Ireland and Spain	178

# **Figures**

Figure 1:	Qualitative Data Analysis Process	. 50
Figure 2:	Working Population by Education Level (25- 64 years), EU-27 and Spain	. 95
Figure 3:	Formal and Informal Regulatory Levels of Flexicurity	136

### **Abbreviations**

ALMP Active Labor Market Policy

AMETIC Asociación Multisectorial de Empresas de Electrónica, Tecnologías de

la Información, Telecomunicaciones y Servicios y Contenidos Digitales

(Association for Electronics, Information Technology and

Telecommunications and Digital Content)

BTEI Back to Education Initiative

CE Community Employment

CEDEFOP European Centre for the Development of Vocational Training

CCOO Confederación Sindical de Comisiones Obreras (The Workers'

Commissions)

CIFO Centros de Innovación y Formación Ocupacional (Innovation and

Training Centers for Employment)

CME Coordinated Market Economies

DSP Department of Social Protection

ECB European Central Bank

EES European Employment Strategy

EGFSN Expert Group on Future Skills Needs

EPL Employment Protection Legislation

ETBs Education and Training Boards

ET Estatuto de los Trabajadores (The Workers' Statute)

FÁS Irish National Training and Employment Authority

FDI Foreign Direct Investment

FUNDAE Fundación Estatal para la Formación en el Empleo (State Foundation

for Employment and Training)

HRM Human Resource Management

IBEC Irish Business and Employers Confederation

ICT Information Communication Technology

ICTU Irish Congress of Trade Unions

IDA Industry Development Authority

IMF International Monetary Fund

IPREM Indicador Público de Renta de Efectos Múltiples (The Multiplier for

Public Income Index)

IR Industrial Relations

IRM Irish Medium firm

IRS Irish Small firm

IT Information Technology

IVET Initial Vocational Education and Training

LES Local Employment Service Network

LLL Life Long Learning

LME Liberal Market Economies

MME Mixed Market Economies

MNC Multinational Corporation

OECD Organisation for Economic Co-operation and Development

PAPE Planes Anuales de Política de Empleo (Annual Plans for Employment

Policy)

PCPO Pla de desenvolupament de polítiques d'ocupació de Catalunya

(Employment Policy development Plan of Catalonia)

PES Public Employment Service

PIMEC Micro, Petita i Mitjana Empresa de Catalunya (Catalan Employers'

Association for Micro, Small and Medium Enterprises)

PLC Post Leaving Certificate

PRSI Pay Related Social Insurance

QQI Quality and Qualifications Ireland

SEPE Servicio Público de Empleo Estatal (National Public Employment

Service)

SME Small Medium Enterprise

SOC Servei Públic D'Ocupació de Catalunya (Public Employment Service of

Catalonia)

SOLAS Further Education and Training Agency

SPL Spanish Large firm

SPM Spanish Medium firm

SPS Spanish Small firm

TAW Temporary Agency Work

VET Vocational Education and Training

VoC Varieties of Capitalism

VTOs Vocational Training Opportunity Schemes

WLB Work Life Balance

## **Acknowledgements**

This thesis would not have been possible without the support of my friends, family and colleagues.

First, I would like to sincerely thank my supervisors, Prof. Seán Ó Riain and Prof. Michael Doherty, for their guidance and support throughout this PhD process. Thank you for the patience, continued encouragement, enthusiasm, knowledge and always starting the supervisor meetings out with a bit of a chat and laugh. Thank you Michael for providing me with the opportunity to pursue a PhD in Maynooth University, and Sean for facilitating my transfer into the Department of Sociology. My time in Maynooth University has truly been an invaluable experience.

Thank you to all of the interviewees who gave their time and knowledge to support this research. I would also like to thank the Irish Research Council and the Department of Law who graciously provided funding for this research. Without this funding, this thesis would not have been possible.

Thank you to my PhD colleagues and friends, particularly to Madhu, Anne, Dilyana, Ivan, and Emma. Thanks for all of the chats and for continuing to remind me that life does exist beyond the PhD! To Nuala and Maighread, whom I met my first year in the Department of Sociology, I have such gratitude to you both for your friendship, knowledge, and support over the years.

Thank you to the Department of Sociology and the Department of Law for the supportive environment and endless opportunities for collaborative learning. I would like to thank Trish Connerty for your never-ending help, particularly navigating the administrative side of the tutorials. Thank you Dr. Mary Murphy for your advice, encouragement and the many professional opportunities you have facilitated. Thank you everyone in the Department of Law and the Department of Sociology.

Gracias Prof. Oscar Molina and el Centre d'Estudis Sociològics sobre la Vida Quotidiana i el Treball (QUIT), la Universidad Autónoma de Barcelona (UAB) for hosting me for three months as a visiting researcher. Oscar you made me feel welcome from the first day I arrived and were a constant source of motivation as I struggled to access interviews and data for this thesis.

Thank you to the external examiner Prof. Christopher Forde and the internal examiner Dr. Delma Byrne, for your flexibility in accommodating the viva voce date

at such short notice. Also thank you both for the challenging, yet surprisingly, pleasant viva voce experience.

To Hugh Cronin and Ciaran Judge, thank you for your flexibility, support and encouragement during those last trying months.

To my Catalán and Peruvian Friends: Gracias Meche y Josep, por toda su ayuda con esta tesis, corrigiendo los correos, estableciendo contactos, etc. Gracias por tu amistad y por recibirme en tu casa tantas veces. Gracias Fernando por alojarme mientras estaba haciendo el trabajo del campo de esta tesina y la rica comida Peruana. Gracias Sergi por todo la ayuda estableciendo contactos para esta tesina, la verdad sin su ayuda esta tesina no hubiera sido completa.

To my DCU friends, thank you Erika, Clare, Eammon for all of the coffees over the years and the constant encouragement.

To 'mis brujas,' Sheila, Flor and Virginia, for all of the girls' nights, never ending laughs and vino! I do not know what I would do without you girls in my life.

To my flat mate and dear friend, Muriel. Who would have thought from that first meeting back in Barcelona in 2010 that we would both end up in Dublin sharing a flat together! Thank you for your patience, kindness, support, and all of the laughs. Thanks for consistently checking up on me in 'my cave' to make sure I was still alive. Gracias por tu amistad.

Edipo, thank you for your unconditional kindness and support. You came on late in the game of this PhD, but I am so grateful that you did.

Last, to my family, I will never be able to thank you all enough for all of your support and encouragement throughout this PhD process. Thank you so much, Mom, John, Dad and Robin.

### **Summary**

Over the last decades, European countries have increasingly relied on Active Labor Market Policies (ALMPs) as a mechanism to increase the employability of the unemployed. Following the 2008 economic crisis, ALMPs were increasingly relied on by Ireland and Spain as a strategy to assist and improve unemployed young workers' integration into the labor market. One notable aspect was the Irish and Spanish government's development of new ALMP internship programs, ones that relied more extensively on demand led activation through firm work experience or ALMP internships. While the development of these ALMP internship programs was in line with the existing ALMP evaluation literature which asserted higher levels of employer integration yielded higher probabilities for employment (Kluve 2006; Card et al. 2009), none of the evaluation literature considered the role of the employer in shaping ALMP outcomes, nor did it consider other aspects of job quality outcomes beyond earnings.

While adopting a comparative case study design at the sectoral level within five Irish and Spanish ICT firms, this thesis aims to understand how Irish and Spanish ALMP internships facilitate particular job quality outcomes within the Spanish and Irish ICT sectors. Through an examination of the key macro and meso institutions within which these ICT firms are embedded, the research identifies and examines how particular mechanisms may enable or constrain the ICT firms' behavior surrounding job quality outcomes through ALMP internships. It provides a conceptualization of job quality through the adoption of a flexicurity framework which enables the examination of four job quality dimensions: earnings, working time quality, skills and discretion and prospects and internal progression.

The analysis reveals that in a context of weak macro and meso level institutions, firm features play an increasingly important role in explaining how employers facilitate particular job quality outcomes through ALMP internships within the Spanish and Irish ICT sectors. Within this weak institutional environment, similar patterns were found among the Irish and Spanish MNC subsidiary firms and the Irish and Spanish

domestic firms in relation to how these two groups of firms used ALMP internships. The MNC subsidiary firms were found to primarily use ALMP internships as a flexible supply of labor, one with limited scope for upskilling. In comparison, among the domestic ICT firms, the ALMP internships were more effective, given the reduced hiring risks provided and the access ALMP interns had to a wider range of skill development and work experience, thus providing for upskilling. This thesis highlights how sectoral and firm specific dynamics may influence employer behavior related to job quality outcomes through ALMP internships. In doing so, it also emphasizes the need for further institutional constraints that encourage 'good' job quality outcomes among Irish and Spanish firms that recruit through ALMP internships.

## **Chapter 1: Introduction**

From 1994-2007, Ireland and Spain were coined the 'Celtic Tiger' and the 'Spanish miracle' for their large GDP increases and sharp decreases in unemployment. The economic success of Ireland and Spain translated into sharp declines in (youth) unemployment, as well as huge socio-demographic shifts in education levels, female labor market participation and, for the first time, mass immigration. Both economies were also heavily reliant on the construction industry, largely fueled by a property bubble. Thus, the decades prior to the economic crisis, were characterized by stark changes in Ireland and Spain, not only economically, but also in regard to the sociodemographic profiles of the Irish and Spanish population. However, by 2008 the global economic crisis meant the burst of the property bubble, the decline of the construction sector, and a banking crisis that led to Ireland's subsequent Troika (IMF/ECB/EU) and Spain's ECB bailout. Thus, this signified a complete reversal of unemployment trends, as well as the mass emigration of many workers.

Large increases in youth unemployment during the 2008 economic crisis in Ireland and Spain were particularly acute. Active Labor Market Policies (ALMPs), or government sponsored policies and programs to activate the unemployed, were one such tool both the Irish and Spanish governments relied on to assist and improve unemployed young workers' integration into the labor market. During the economic crisis, the Irish and Spanish governments developed new ALMP programs, ones that relied more extensively on demand led activation through firm work experience or ALMP internships. Given that Irish and Spanish policy makers have historically focused on the 'supply side' of ALMPs to improve employment prospects and skill acquisition of the unemployed, the introduction of demand led ALMP internship programs represented a departure from the past focus of Spanish and Irish ALMPs.

While the new Irish and Spanish ALMP internship programs were in line with existing ALMP evaluation studies that suggested ALMP programs with higher levels of employer integration yielded higher probabilities for employment (Kluve 2006; Card et. al 2009), these studies still have little understanding of how employers or firms facilitate

employment outcomes. Furthermore, existing ALMP evaluations studies also neglect the actual quality of the jobs attained and what role, if any, ALMPs play in shaping employer decisions surrounding job quality.

While one of the consequences of the Irish and Spanish economic crisis was the sharp increases in unemployment, it also resulted in an overall deterioration of working conditions, particularly among new labor market entrants who faced lower earnings and less job security attached to new contracts. Therefore, measuring ALMP success or effectiveness in terms of employment outcomes risks obscuring the quality of the jobs attained and exactly what factors influence employer recruitment behavior in terms of job quality. Indeed, as Muñoz de Bustillo et al. (2011a: 45) poignantly stated, '...it should not be forgotten that even in the context of the current crisis the great majority of workers are employed and the quality of their jobs will be an obvious concern for them.'

Therefore, this thesis is unique in that it aims to link three key concepts that were previously not linked in the literature and by policy makers: ALMPs, employers, and job quality. The research seeks to understand how Irish and Spanish ALMP internships facilitate particular job quality outcomes within the Spanish and Irish ICT sectors. The study is located in the Spanish and Irish ICT sector, a sector known for its dynamic changes which lead to new forms of work organization, including outsourcing and interfirm collaboration, thus providing for an interesting case study of post-industrial society and service economy.

To address the central research question, the study necessitates not just the identification of the Irish and Spanish ICT firms that hired individuals through the ALMP internship programs, but also a clear understanding of the key macro and meso institutions within which these ICT firms are embedded. Indeed, adopting this approach enables the identification of particular mechanisms that may enable or constrain firm behavior surrounding job quality outcomes through ALMPs. Another key aspect of answering the central research question is the conceptualization of job quality, something that has been chosen to be done through the adoption of a flexicurity analytical framework. This enabled the examination of flexicurity balances for 'good'

job quality outcomes on four job quality dimensions: earnings, working time quality, skills and discretion and prospects and internal progression. Importantly these job quality outcomes were considered in the context of the relationship between the Spanish and Irish ICT firms and the wider meso and macro institutional features of each country, thus enabling a holistic understanding of the central research question.

#### **Thesis Summary**

As already mentioned, this thesis aims to understand how Irish and Spanish ALMP internships facilitate particular job quality outcomes within the Spanish and Irish ICT sectors. The following chapters aim to answer this question through a comparative empirical analysis of job quality outcomes within five Irish and Spanish ICT firms.

Chapter 2 addresses the key literature linked to the central research question. The chapter begins by reviewing the flexicurity literature and the various conceptualizations and analytical frameworks adopted thus far by researchers. It establishes the conceptualization of flexicurity that is used to operationalize job quality, as well as examines the key gaps in the literature that this research aims to address. Following a review of the flexicurity literature, the literature on job quality is examined. The Varieties of Capitalism (VoC) literature is argued to provide an important guide for the identification of key macro and meso institutions within which the Spanish and Irish ICT firms are embedded and that may impact job quality outcomes through ALMP internships. Lastly, the small, but growing literature on ALMPs and employers is examined and some of the key firm level features that may impact employer engagement with ALMPs and job quality outcomes through ALMPs are explored.

**Chapter 3** explains the research methodology adopted and the strengths and challenges during the research process. First, it establishes the researcher's epistemological and ontological foundations and explains the adoption of a comparative case study approach using qualitative semi-structured interview methods. Then it makes an argument for the selection of the Irish and Spanish cases, as well as the selection of the ICT sector. The process of sampling and data collection among firms and interviewees is

also described with diversity among firms and interviewees accounted for by providing for variation in size, diversity in MNC/domestic firms, and a range of interviews across gender within firms. Lastly, the process of data analysis and research ethics are also delineated so as to further affirm the trustworthiness, quality and rigor in the research findings.

**Chapter 4** addresses the ALMP dimension of the thesis through an examination of the existing literature. Specifically, it contextualizes the thesis in terms of the ALMP types or 'menu' most dominant in each country. It also describes the Education and Continuous (Vocational) Training systems within Ireland and Spain. While Spain is concluded to have a less fragmented system of education and (initial) continuous vocational training providing for high degrees of social partner participation, the lack of coordination among social partners and heavy dependence on state intervention results in an underdeveloped and uncoordinated system with limited opportunities for training participation and innovation within firms. The bureaucracy to access Spanish ALMPs and the continuous vocational training system also deters the participation of smaller firms. Lastly, Spain is concluded to suffer from a weak Initial Vocational Education and Training (IVET) system with low graduation rates, in addition to large segments of the population with below secondary education levels. Thus, this creates a lack of trust in the ability of the Spanish state to deliver quality education at non-tertiary levels. In comparison, Ireland appears to have a low degree of social partner participation to negotiate training with institutionalized spaces for social partners to negotiate and coordinate training largely absent, thus opportunities to innovate training are largely fragmented. A lack of a strong initial and continuing vocational training system combined with weak Irish Public Employment Service (PES) institutions also further discourages Irish firms from consistently participating in ALMPs and developing strong links with training institutions outside the university and technical education system.

**Chapter 5** is the first of the three analyses chapters and aims to address the question of how the Irish and Spanish ICT firms engage with ALMPs. Specifically, it analyses three factors: 1) the level of institutionalization of social dialogue, 2) the capacity of the PES, and 3) the level of trust in state institutions to deliver high quality training outcomes. These factors are derived from the Chapter 4 review of the literature on Spanish and

Irish ALMPs, and education and training institutions as potential factors that may influence how ALMP training and hiring strategies are used within the Irish and Spanish ICT firms. Despite varying levels of institutionalization to encourage social partners to negotiate and coordinate training, both the Irish and Spanish ICT firms are found to have high probabilities for a greater tendency towards diverse firm training practices. The weak capacity of the PES on the other hand, influences the systematic participation of the Spanish and Irish ICT firms, thus answering the question of why some of the ICT firms may consistently engage, but playing less of a role in how firms incorporate ALMPs into firm training strategies. The last factor, the level of trust in state institutions to deliver high quality training outcomes, begins to unravel the important role that Irish and Spanish ICT firm level features, such as the organization of labor and the supply of specific skills, play in how ALMP training programs are integrated into the ICT firms.

**Chapter 6** addresses one of the central aspects of this research: job quality outcomes. While using a flexicurity analytical framework, balances for 'good' job quality outcomes on four job quality dimensions, earnings, working time quality, skills and discretion, and prospects and internal progression are examined within the Irish and Spanish ICT firms. To account for any variations in the job quality trajectory, the thesis analyses two points in time of the job quality dimension: the current job of former ALMP interns and the initial job following the ALMP internship. Where relevant, collective agreements are also considered, given the potential for them to constrain or improve the job quality outcomes attained through ALMPs. However, similar to the previous analytical section the chapter concludes that job quality outcomes, particularly initial job quality outcomes, through ALMPs are more dependent on the interplay between national institutions and firm level production strategies. Indeed, particular patterns in terms of how initial recruitment pathways manifested in practice among two groups of firms: the Irish Medium (IRM) firm and Spanish Large (SPL) firm and the Spanish Small (SPS) firm, Irish Small (IRS) firm and Spanish Medium (SPM) firm inform the basis for the following chapter on extended internal entry tournaments through ALMPs.

**Chapter 7** extends the research findings of Chapter 6 which identify divergent internal entry tournaments among two groups of Spanish and Irish ICT firms. It examines the dynamics of the IRM and SPL firms' 'slow' and unstructured internal entry tournaments

through ALMP internships and the IRS, SPS, and SPM firms' 'fast' and structured internal entry tournaments through ALMP internships, as well as considers three firm level features which are argued to enable or constrain how the Irish and Spanish ICT firms construct particular entry tournaments through ALMP internships. Specifically, the degree of internationalization, the degree of value firm's attach to human capital (both general and specific), and the scarceness of this human capital are argued to provide particular conditions which may be conducive to more or less segmented and extended entry tournaments among the two groups of Irish and Spanish ICT firms.

**Chapter 8** revisits the central research question and summarizes the main findings of the thesis. It also presents the main contributions to knowledge, including the research gaps it fills within the literature and its contributions to methodology. Lastly, it provides policy recommendations for ALMP internships and future areas of research.

# Chapter 2: Flexicurity, Job Quality, and ALMPs

According to the European Commission (2007), flexicurity is an effort to balance social cohesion and security, as well as continue to harmonize and promote the integration of EU employment policy. It aims to promote more and better jobs, while also fostering increased labor market flexibility (external and internal within firms) and security (employment and income) for workers. In addition, flexicurity aims to decrease labor market segmentation and improve labor market access for weaker groups in and outside the labor market (Council of the European Union 2007). Instead of focusing on job security, flexicurity focuses on employment throughout the entire working career and transitions between jobs, as well as places a strong emphasis on the involvement of social partners to develop balanced flexicurity models (European Commission 2007). ALMPs are considered a key aspect of flexicurity and are considered a strategy to improve workers ability to make labor market transitions. In sum, flexicurity is concerned with combining high levels of flexibility with high levels of security to mutually benefit employees and the firm alike. Because empirical evidence has shown that increases in flexible employment often result in poorer working conditions (Standing 1999; Keller and Seifert 2005; Barbieri and Scherer 2009; Kalleberg 2011; Samek Lodovici and Semenza 2012; Vallas and Prener 2012), varying flexicurity combinations have significant implications for job quality.

However, despite the popularity of flexicurity among policy makers and academics, the conceptualization of flexicurity and its varied labor market outcomes have been heavily critiqued by scholars (Keune and Jepsen 2007; Lewis and Plomien 2009; Schmid 2009; Burroni and Keune 2011; Heyes 2011), mainly due to the ambiguity surrounding its theoretical and analytical foundations. Indeed, one of the key theoretical and analytical questions is exactly how to achieve combinations of flexibility and security to enhance job quality. The role that ALMPs may play in facilitating transitions towards flexible and

secure jobs is also unclear, particularly in countries such as Ireland and Spain where ALMPs are less developed and occupy a less coordinated policy strategy.

Therefore, this review of the literature aims to examine existing research and conceptualizations of flexicurity. The existing literature on job quality is also examined and argued to provide a strong foundation for expected flexible and secure jobs at the firm level. Last, the smaller body of research examining ALMPs and employers is examined, which provides further guidance as to how employers may utilize ALMPs and implicitly or explicitly contribute to job quality.

#### Flexicurity as a Policy Concept

While the flexicurity concept was officially adopted and integrated into the European Employment Strategy (EES) in 2007, the concept originated in the mid-1990s in the Netherlands through the preparation of the Dutch Flexibility and Security Act and the Allocation of Workers via Intermediaries Act. These Acts aimed to increase flexibility, improve (social) security and legally ensure atypical, flexible workers were granted similar working conditions and social security as workers employed on standard contracts (Wilthagen and Tros 2004). Shortly after, the Danish flexicurity model emerged. However, this model placed less emphasis on atypical versus standard contracts and legal rights and instead emphasized low employment protection legislation, extensive unemployment benefits, and active labor market policies. Both of these models recognized the importance of social partnerships, collective agreements and resulted in significant decreases in unemployment levels in Denmark and the Netherlands (Keune 2008).

The success of the Danish and Dutch flexicurity models, presented a viable alternative for the EES and the dominant OECD neo-liberal discourse at the time which advocated for complete deregulation and flexibilization of the labor market to solve Europe's labor market problems. Furthermore, the flexicurity approach fit key elements of the European social model: social dialogue, decent working conditions and social protection (Vaughan-Whitehead 2011). By 2005, flexicurity was recognized by the

European Commission as an effective employment strategy to improve competitiveness, increase quality and productivity at work and mitigate labor market segmentation through decreased labor market protection legislation and increased social security benefits (Keune 2008). Following extensive dialogue with European social partners and civil society, the flexicurity concept was officially adopted and integrated into the EES in 2007 (Bekker 2012).

Flexicurity is loosely defined by the European Commission as, 'a strategy to enhance, at the same time, flexibility and security in the labor market' (European Commission 2007: 4) and the concept is founded on four underlying employment strategies:

- 1) Flexible and reliable work contracts, in accordance with labour laws, collective agreements and modern work organization principles
- 2) The introduction of lifelong learning strategies; to support the continual adaptability of employees, particularly the most vulnerable in the labor market
- 3) Effective active labor market policies (ALMP); to help employees find employment again after a period out of work
- 4) The modernization of social security systems; to provide financial support which encourages employment and facilitates labor market mobility

European Commission 2007: 5

In addition to the flexicurity strategies, the European Commission also has proposed four pathways towards implementing flexicurity: tackling contractual segmentation, developing flexicurity within the enterprise and offering transition security, tackling skill and opportunity gaps among the workforce and improving opportunities for benefit recipient and informally employed workers (European Commission 2007). Last, they suggest eight common principles that member states must adhere to regardless of their specific labor market regimes. These include supporting gender equality, establishing mutual participation with social partners and trust, encouraging both external *and* internal labor market flexibility, and creating better jobs.

As evident in the flexicurity strategies and common principles, flexicurity is presented as requiring the active involvement of social partners and is advocated as a labor market strategy that can be adapted to member state's institutional contexts. Because

employers benefit from high levels of flexibility and employees are granted high levels of security, flexicurity is argued to be a 'win-win situation' (Keune and Jepsen 2007), which attempts to balance the trade-off between labor market flexibility (capacity of firms and workers to adapt to change) and (income) security (Auer 2010). Because the balance between flexibility and security can determine labor market conditions, improving quality of work remains an important aspect of flexicurity, as is enhancing labor market access for the most vulnerable labor market participants (European Commission 2007). Instead of focusing on job security, flexicurity focuses on employment throughout the entire working career and transitions between jobs, rather than maintaining the same job for life. This objective is complemented by the promotion of lifelong learning (LLL) policies (ALMPs and other training programs) that assist in assuring progressive labor market transitions and diminishing unemployment spells.

Despite the existence of flexicurity strategies and principles and given that the European Employment Strategy largely relies on the soft regulation of flexicurity through the Open Method of Coordination (OMC), this term remains relatively open and subject to member countries adapting flexicurity to their employment regimes and socio-economic interests. Therefore, as a policy strategy (Jorgensen and Madsen 2007; Rogowski 2008) flexicurity is argued to provide both inspiration and guidance for policymakers in the adoption of a 'holistic approach' to employment and social policy, while also argued to be under-defined, ambiguous and subject to 'political capture' (Muffels and Luijkx 2004, Bertozzi and Bonoli 2009; Ibsen and Mailand 2010; Burroni and Keune 2011: 76).

For instance, Keune and Jepsen (2007) argue that at the EU level the flexicurity concept enabled consensus to be established among almost all political actors (the Commission, the Council, Parliament, European Trade Union Confederation and Business Europe), when in reality actors were able to interpret flexicurity without making any real changes in their traditional labor market perspectives. Consequentially, the academic debates have tended to center on conceptualizing flexicurity, the extent of its adaptation in EU member states, and its propensity or lack thereof to address EU labor market problems. The high levels of unemployment and the deterioration of working conditions following

the 2008 economic crisis also led to discussions regarding the robustness of flexicurity as an employment strategy during periods of economic decline (Auer 2010).

Nonetheless, despite the ambiguity and debates of flexicurity as a policy concept, the popularity of it at the EU level also sparked many comparative empirical studies to analyse and capture flexicurity at the macro, meso and micro level. These studies thus provided for the further conceptualization of flexicurity, as well as enable the exploration of proposed empirical determinants of flexicurity.

#### **Conceptualization and Empirical Determinants of Flexicurity**

As noted in the previous section, flexicurity is multidimensional and difficult to define. Because an agreed upon definition of flexicurity still eludes academics (Viebrok and Clasen 2009), flexicurity analyses tend to be centered on elements of the EU flexicurity strategies and based on the Danish and Dutch flexicurity models and operationalize flexicurity accordingly. One of the most well-known proponents of flexicurity, Wilthagen and Tros (2004), derive their definition from the Dutch flexicurity model. According to Wilthagen and Tros (2004: 169), flexicurity can be defined as, 'a policy strategy that attempts, synchronically and in a deliberate way, to enhance the flexibility of labour markets, work organization and labour relations on the one hand, and to enhance security – employment and social security – notably for weaker groups in and outside the labour market, on the other hand.' While this definition draws attention to establishing a balance between flexicurity and security, particularly for vulnerable labor market groups, it has been criticized because it does not clarify who exactly are the 'weaker groups' and demands that academics only consider employment policies that are explicitly termed 'flexicurity' (Tangien 2005).

Another definition is suggested by Tangien (2005) in which he uses a combination of existing flexicurity definitions to propose a 'trade unionist' definition. Tangien defines flexicurity as, '[a] social protection for flexible work forces, understood as 'an alternative to pure flexibilization' (Keller and Seifert 2004: 22) and 'to a deregulation only policy' (Klammer 2004: 283). He asserts that this definition of flexicurity further

represents and protects the interests of flexible workers, instead of only the employer. Indeed, others have critiqued the flexicurity employment strategy for its assumption that an equal power relationship exists between employees and employers to negotiate employment conditions (Ibsen and Mailand 2010).

A third definition, presented by Ferrera et al. (2001: 21) defines flexicurity as 'secured flexible employment' and an employment strategy which aims to 'reconcile labor market flexibility with measures to counter the growing social exclusion and the emergence of a class of working poor.' This definition slightly reflects Wilthagen and Tros (2004), in that it emphasizes the exclusion of certain groups of workers from the labor force, though it adds an additional element by drawing attention to the working conditions for certain groups of people. Unfortunately, it still does not specify what groups of people should be targeted as the working poor or the excluded labor force.

Despite these and other more general definitions proposed by academics, Wilthagen and Tros' (2004) flexicurity matrix is still considered one of the most common heuristic tools to analyse combinations of flexicurity. Using four forms of flexibility taken from Atkinson's 'flexible firm' (1985) and four forms of security, the matrix presents sixteen possible combinations or balances of flexicurity.

**Table 1: The Flexicurity Matrix** 

Flexibility/Security	Job Security	Employment	Income	Combination
		Security	Security	Security
External-				
numerical				
Internal-numerical				
Functional				
Variable pay				

Source: Wilthagen and Tros (2004: 171)

External numerical flexibility refers to the employer's ability to hire and fire. This may be limited by employment protection legislation (EPL) which stipulates variable redundancy costs according to certain labor market groups. Alternatively, lower levels of EPL may result in the firm easily shedding workers during economic downturns. In addition, taking on fixed or temporary workers is also a way of increasing external numerical flexibility (Atkinson 1985).

Working time flexibility refers to the ability of the firm to adjust working hours of the workforce, including the distribution, variation and length of those hours, including part-time work (Ibsen and Mailand 2009).

Functional flexibility refers to the ability of the employer to move employees from one task to another and change the work content which should require high levels of multiple skills. This includes internal mobility, job rotation, increased autonomy in decision making and flatter organizational structures (Ibsen and Mailand 2009; Keller and Seifert 2004).

Variable pay, also referred to as wage flexibility is the ability of the employer to alter wages according to changing labor market or competitive conditions. This includes variable pay schemes linked to individual performance, skill attainment or task responsibility (Ibsen and Mailand 2009).

Job security refers to the certainty of retaining a specific job with the same employer as expressed by job tenure and protections against dismissals and changes in working conditions. This is inversely related to external numerical flexibility (Standing 1999; Ibsen and Mailand 2009).

Employment security refers to the level of employability or ability to find employment. This is linked to policies that enhance employability such as through training programs through ALMPs, on-the-job training and skill development (Ibsen and Mailand 2009; Keller and Seifert 2004).

*Income security* refers to stable income levels during periods of transitions between employment and unemployment or during new job situations. This may include national

minimum wages, social security, progressive taxation, and wage indexations (Standing 1999).

Last, *combination security* refers to the certainty workers have to combine work with other social responsibilities and obligations, commonly known as work-life-balance (Ibsen and Mailand 2009). This can include flexible working hours, leave facilities and flexible part-time retirement.

Thus, through these possible flexible and secure combinations particular balances are argued to be attained. However, as argued by Ibsen and Mailand (2009), the flexicurity matrix lacks theoretical underpinnings to define exactly what constitutes a balance. From the literature three types of flexibility and security balances are proposed. The first, trade-offs, relates to the idea that an increase in flexibility automatically results in a decrease in security and vice versa. Hence, here flexicurity balances are a zero sum game. The second two types of balances rely on the presence or absence of complementary institutions that either reinforce or counteract each other, so as to produce virtuous circles (flexibility and security positively reinforce each other) or vicious circles (where flexibility and security counteract each other in a negative direction) (Schmid 2009). The most classic example of virtuous cycles is the classic Danish golden triangle of flexicurity where high risk of job insecurity is compensated by income security and active labor market policies contribute to employment security (*ibid*).

Schmid (*ibid*) links these three types of flexicurity balances to transitional labor market theory, while using it to illustrate examples of EU member states' best practice for labor market transitions during the life course. However, the examples are merely used to illustrate the possible contributions the analytical framework may present in the future, rather than a robust analysis of a particular set of EU countries. Ibsen and Mailand (2009) further argue that one of the issues with the conceptualization of flexicurity balances as vicious and/or virtuous cycles is that it is often difficult to detect complementarity between institutions. Indeed, despite Wilthagen and Tros' (2011) assertion that a positive sum game is possible in the flexicurity matrix through the development of institutional complementaries and a coordinated employment

approach, Burroni and Keune (2011) argue that in reality institutional complementaries are extremely rare and employment and social reform strategies generally are not coordinated.

Ibsen and Mailand (2009) propose a modified version of the three conceptualizations of flexicurity balances proposed above. While accepting that it is difficult to detect institutional complementarity, Ibsen and Mailand (*ibid*) first suggest win-win pay-offs or regulation that results in the mutual benefit of employers and employees, such as increased working time flexibility and increased security. The second flexicurity balance can be achieved through compensated trade-offs, where workers accept increased flexibility to preserve other aspects of security, such as increased wage flexibility and reduced income security in compensation for the preservation of jobs/employment security. The last concept Ibsen and Mailand (2009) propose is for non-flexicurity or lose/lose pay-offs, where neither the employer nor the worker benefits, such as a failure to provide adequate skill provision systems. Again, this last non-flexicurity concept also does not attempt to distinguish institutional complementarity.

While these flexicurity concepts still require a high level of inductive analysis, Ibsen and Mailand (2009) provide a robust analysis utilizing these three concepts to identify flexicurity balances across countries and sectors. Accordingly, their conceptualization of flexicurity balances is adopted for this study, albeit it expands it to identify actual balances of flexicurity *outcomes* in practice at the sectoral level within the Irish and Spanish firms. Indeed, other flexicurity research also primarily focuses on national and sectoral level (Pulignano and Keune 2015; Paolucci 2017) regulatory features, thus neglecting firm level flexicurity outcomes.

Tangien (2005) proposes to measure flexicurity by using only two indicators of measurement, strictness of Employment Protection Legislation (EPL) and social (income) security and attempts to account for the direction countries move towards or away from flexicurity over time.<sup>1</sup> He argues that the flexicurity matrix assumes that

<sup>&</sup>lt;sup>1</sup> In Tangien's (2005) operationalization of flexicurity he classifies countries as flexicure, high flexibility and high security, (Denmark and Finland); inflexicure, low flexibility and high security (Sweden and the Netherlands); flex-insecure, high flexibility and low social security (United Kingdom); and inflex-insecure, strict EPL and little advanced social security (Spain, Portugal and Czech Republic).

employment policies and laws must contribute to security and flexibility, when in reality employment policies and laws contribute to *either* security or flexibility. However, Tangien's (*Ibid*) method of measuring flexicurity is still limited because it only considers two objective flexicurity indicators. In addition, the specific impact of EPL on unemployment levels is still not conclusive (Baker et al. 2005; Ibsen and Myland 2009). Furthermore, as argued above, the focus on national level regulation still does not illustrate the actual impact of flexicurity in practice, thus not adequately accounting for diverse labor market practices at subnational levels.

In reality, labor market case studies have shown that the labor market continues to be extremely heterogeneous, not just at the national level or among country clusters, but also at the sub-national levels (Burroni and Keune 2011; ICF GHK 2012; Heyes 2013). In Italy, for example, significant regional differences exist in relation to economic disparities, institutional frameworks, union membership and industrial relations practices, making it difficult to implement a coordinated and coherent flexicurity approach (Burroni and Keune 2011; ICF GHK 2012). Regional differences can also be observed within the Spanish Autonomous Basque Country where unemployment continues to be consistently lower than the rest of the country and trade unions are stronger, thus meaning that the Basque country also boasts more provincial agreements (Fishman 2012; Ibsen and Mailand 2009). In these cases, Burroni and Keune (2011) argue, the danger exists that negative complementaries may emerge which may strengthen existing differences at the micro level, between groups of employees and workers. Instead of analyzing flexicurity in terms of its benefits for employers and employees, they argue flexicurity should be examined for its impact on different groups of workers and sectors (*Ibid*). Indeed, a lack of understanding how flexicurity impacts certain groups of vulnerable workers can be observed in the EES flagship initiatives, Agenda for New Skills and Jobs and Youth on the Move, where a lack of EU regulation and monitoring combined with implementation deficits at the local and national level

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<sup>&</sup>lt;sup>2</sup> The European policy initiative *Agenda for New Skills and Jobs* aims to improve people's labor market skills and provide further job search assistance. However, only a few measures explicitly address youth. The *Youth on the Move* initiative focuses on the acquisition of new skills and competencies and increasing the mobility of young people in the EU. Unfortunately, only a few measures explicitly address youth in the first policy initiative and both tend to only address young workers under 25, thus neglecting those young workers over 25 in the labor market that are also increasingly experiencing poor quality of work (European Commission 2010a; 2010c)

continue to mean that youth targeted employment policy remains uncoordinated and incoherent (Lahusen et al. 2013).

Keller and Seifert (2005) also argue that when analyzing the flexicurity concept one must also consider the type of flexibility (i.e. internal or external) and its relation to the security system. Through an empirical study of Germany, they argue that not all forms of flexibility result in low quality of work and that Germany presents an example where internal flexibility has actually led to increased security. They conclude that flexicurity can be a positive policy development because it aims to decrease the low quality of work associated with flexibility. Granted, it has also been argued that the role of social partners in collective agreements continues to drive the German labor market's strong emphasis on internal flexibility (Keller and Seifert 2005; ICF GHK 2012). Similarly, the development of the Danish flexicurity model has been largely attributed to collective bargaining and pressure from part-time workers to increase the security of their contracts (Klindt and Moberg 2006).

However, a country such as Spain that has a less dominant role of social partners in establishing collective agreements and a historically low use of part-time worker contracts (Ibsen and Mailand 2009), would find the introduction of internal flexibility and increasing security for part-time workers more challenging. Within Ireland, despite the prevalence of part-time work, collective bargaining is largely absent from the private sector, thus this would also make it difficult to establish such a flexicurity balance for part-time workers. Thus, collective bargaining can be argued to be a key institutional feature necessary for flexicurity. More generally, Burroni and Keune (2011: 88) argue that 'flexicurity assumes certain pre-existing institutional conditions exist and that social partners equally represent and maintain similar power between and within countries.'

While Wilthagen and Tros (2004) do recognize the necessity of certain existing conditions (collective bargaining, high levels of trust, decentralization of labor market policy) to establish balances between flexibility and security, they base their conclusions on in depth studies of Denmark and the Netherlands and largely neglect how member countries that lack these institutional mechanisms can build on their existing

employment regimes to improve their flexicurity pathways. Furthermore, they assume that if collective bargaining exists it will automatically include actors representing different viewpoints (i.e. associations for the unemployed or precarious workers) and encompass a range of employment issues, not just wage issues or dismissal issues. However, Ibsen and Mailand's (2009) found that in Spain collective agreements rarely represent the interests of temporary employers and rather act as a tool to legitimize and implement national employment and social policy legislation. Therefore, this suggests that even in cases where certain flexicurity conditions exist, such as collective bargaining, this does not guarantee additional regulatory features that move in the direction of establishing balances between flexibility and security.

Heyes (2011) and Ruud et al. (2004) attribute variation in flexicurity and more specifically working conditions, to different employment regimes and domestic labor market policy. Specifically, they find that the three employment regime types: inclusivist, dualist and market regimes, significantly influences the role different actors play in employment policy reform negotiations and the type of flexicurity policies pursued. For example, in the inclusivist employment regimes of Sweden, Denmark and Finland, they argue that trade unions and employers organizations are institutionalized and employment rights are extended to many workers. In contrast, in the Spanish dualist employment regime, trade union/employment regimes are much weaker and certain groups of workers are privileged over others. Whereas, in the United Kingdom (as well as Ireland) market employment regime, employer organizations and trade unions lack opportunities to influence employment relations.

In summary, a plethora of empirical studies exist on flexicurity, all adopting different perspectives, analytical frameworks and levels of analyses. National comparative level analyses appear to dominate the flexicurity literature with even fewer cases of comparative sectoral level studies. While national level studies tend to focus on clustering countries according to different analytical frameworks, sectoral level studies tend to focus primarily on sectoral and firm level collective bargaining. While the sectoral level analyses provide for similar firm level conditions to analyze flexicurity balances for job quality within firms, it is difficult to distinguish whether flexicurity balances actually occur in practice and how the intersection of collective agreements

with formal and informal firm level policies may inhibit or enable these balances.

Therefore, these gaps in the flexicurity research provide the impetus for the analysis of flexicurity balances to assess job quality outcomes at the sectoral and firm level.

In addition, while ALMPs are consistently mentioned in the flexicurity research as enhancing employment security, the evaluation literature on ALMPs suggests that some ALMPs are more effective in terms of employment outcomes than others, with programs closer to the labor market having higher potential for employment (Kluve 2006; Card et al. 2009). ALMPs are highly diverse, varying from training to employment incentives, and thus cannot be automatically assumed to result in increases in employment security. Indeed, ALMPs are often argued to be associated with the classic Danish Golden Triangle of flexicurity, where a positive sum game is argued to be possible with institutional complementaries and a coordinated employment (Wilthagen and Tros 2011). However, as the flexicurity literature suggests these institutional complementaries are difficult to detect. Within countries such as Ireland and Spain, countries lacking high levels of coordinated employment, it seems even more unlikely these complementaries would be readily apparent. Therefore, the question remains as to exactly how ALMPs facilitate not just employment security, but balanced flexicurity outcomes so as to enhance job quality for workers.

Last, these studies clearly demonstrate the important role that the intersection of specific national level and sectoral level institutions, not necessarily through institutional complementarities, may play in facilitating flexicurity balances for good quality jobs. Indeed, the flexicurity literature suggests that specific conditions such as collective bargaining, high levels of trust, and the decentralization of labor market policy may be necessary as well to facilitate balances. However, it was argued that even when countries do possess some of these conditions (i.e. collective bargaining), it does not necessarily guarantee a movement in the direction of balanced flexible and secure jobs. Therefore, detecting flexicurity balances in countries with weak or absent institutions and/or flexicurity conditions may be more challenging. Within these countries, more diversity would be expected for flexible and secure job quality outcomes across sectors and firms. The following section turns to the literature on job quality to further examine

some of the key macro and meso institutions that may contribute to better quality jobs within firms that hire through ALMPs.

#### **Approaches to Understanding Quality of Work**

Quality of work is often expressed as a dichotomy between those with 'good/better' jobs and those with 'bad/worse' jobs (Doeringer and Piore 1971). Because quality of work is a multi-dimensional concept, it has developed in an interdisciplinary fashion (Gallie 2007). Quality of work is concerned with aspects of *employment quality*, the rate of transition between jobs, ease of reemployment and level of participation, as well as the quality of the *current job*. Divisions are evident between and within disciplines and those with more theory based models versus more pragmatic ones (Green 2006; Kahn 2008; Muñoz de Bustillo et al. 2011a).

From an economic perspective, particularly the neoclassic approach, labor market rigidities such as unemployment benefits, employment protection, minimum wages, and collective action (i.e. unions) are argued to distort labor market supply and demand (Segenberger 2011). Thus, this approach argues that in a free market, involuntary unemployment should not occur and the solution is to remove labor market rigidities and promote flexibility. Instances of varied quality of work, is argued to be homogenized in the market by providing higher wages for those in lower quality of work. This is based on the theory of wage compensation differentials or equalizing differences and asserts that job quality should not be of concern if all other things are kept equal (Rosen 1986; Muñoz de Bustillo et al. 2011a). However, empirical evidence has demonstrated that while the wage compensation differentials theory may be maintained in some jobs, it is not maintained in all jobs, even jobs characterized by extreme health risks (Purse 2004; Bonhomme and Jolivet 2009).

In general, wages and income are considered to be an important measurement of quality of work (i.e. good jobs are high wage jobs, while bad jobs are low wage jobs) within the economic discipline. However, they can only partly explain job quality (Kalleberg 2011), as they neglect other important non-monetary, intrinsic aspects of

quality of work such as, autonomy and satisfaction and assume that the individual, subjective evaluation of job quality depends mainly on wages (Clark 1998; Green 2006). In Samek Lodovici and Semenza's (2012) study of precarious work among young workers, they find that wages are not always strongly associated with quality of work for young workers. Furthermore, a focus on wages does not capture the welfare-labor market nexus and the varied distribution of benefits to certain groups of workers. Davoine et al. (2008) and other researchers (Dahl et al. 2009) also argue that higher quality of work actually increases productivity, economic growth and improves employment rates at the macroeconomic level. These observations contradict the theory of wage compensation differentials and measuring quality of work based on solely monetary factors. In addition, these arguments also confirm the importance of quality of work and its contingency on not only employment rates, but also overall labor market outcomes.

While empirical evidence has questioned wage compensation theory and the neoclassical approach, both still have impacted European government labor market institutions and policy decisions. In the 1970s and 1990s, European governments were pressured to increase labor market flexibilization when large unemployment discrepancies between Europe and the United States became evident and were seen by economists as the result of labor market rigidities and the social welfare system, thus coining the term 'Eurosclerosis' (OECD 1994; Segenberger 2011). However, flexible labor market policies have not always been found to be directly correlated to overall (un)employment rates. Howell et al. (2007) found that the EU 1990s reforms on protective labor market institutions did not necessarily correlate strongly to labor market success in terms of (un)employment rates. In addition, countries pursued varying degrees of flexibility in their labor markets, some of which reaped negative consequences for specific groups of workers.

For example, Denmark increased flexibility and its welfare schemes among all types of workers from the 1990s onward, while Spain promoted 'flexibilization' at the margins (Barbieri and Scherer 2009; Jessoula et al. 2010; Bentolila 2011 et al.; Samek Lodovici and Semenza 2012). This meant that in Spain, high employment protection legislation was left largely unchanged for permanent workers, while flexible labor market policy

was introduced at the margin, mostly among the vulnerable labor market groups, through an expansion of atypical work<sup>3</sup> contracts and an overall increase in the divide between insiders and outsiders (Bentolila et al. 2011). Because atypical employment is often strongly correlated to a higher probability of unemployment, lower wages and welfare provisions, and unfavorable working conditions, it has had and continues to have strong repercussions for quality of work (Standing 1999; Gallie 2007; Barbieri 2009; Barbieri and Scherer 2009; Samek Lodovici and Semenza 2012; Vallas and Prener 2012).<sup>4</sup> Therefore, whether quality of work can be attained through flexible labor market policy is highly dependent on how these flexible work arrangements are distributed and how they intersect with larger welfare regimes.

From a sociological perspective, academics have tended to consider non-monetary aspects to explain quality of work including, contract status, job security, labor market transitions, skill level and occupation, and working conditions. Dual labor market theory and segmentation theory are two important tools used to explain some of these aspects of quality of work. Dual labor market theory maintains that a divide exists between those groups with skilled, well paid, secure jobs (primary jobs) and those with poorly paid, insecure and low mobility (secondary jobs) (Doeringer and Piore 1971). Initially this theoretical perspective assumed workers chose this kind of work and/or were not suitable for other types of work. Segmentation theory improved dual labor market theory by recognizing the division of the labor market between primary and secondary sectors with discriminatory policies and practices allocating jobs in the secondary sector to certain groups who then had little opportunity to transition into the primary sector. Dual labor market and segmentation theory are often used interchangeably with the accepted definition closer to the latter (Harisson and Sum 1979). At the organizational level, the classic model of internal labor markets (ILMs) theory is another approach

<sup>&</sup>lt;sup>3</sup> Atypical forms of work encompass everything that is not full-time employment and academics generally specify whether atypical work refers to involuntary part-time and temporary work, self-employment and/or fixed term employment (see Keller and Seifert 2005 for a full review).

<sup>&</sup>lt;sup>4</sup> While quality of work is often associated with atypical contracts, the degree of poor quality of work also depends on the form and duration of atypical employment (Keller and Seifert 2005). For instance individuals with atypical contracts in some countries (i.e. Italy and Spain) have limited access to social (security) systems, whereas in other countries (i.e. Denmark and the Netherlands) atypical workers have similar rights and access to social (systems) as permanent workers.

closely linked to dual labor market theory and one that is often used to describe different quality of work dimensions.

The ILM approach was developed by Doeringer and Piore (1971) to describe those firms within the primary sector, employers offering limited ports of entry but progressive internal career opportunities to train in firm specific skills, and firms within the secondary sector, employers hiring low-skilled, non-unionized workers through temporary contracts. In ILM theory, the primary sector firms are argued to provide more job security and progression opportunities for employees, while the secondary sector firms offer limited mobility and low job security. Therefore, primary sector firms are argued to shelter workers from external labor market competition, while also enabling workers to take advantage of internal competition for promotions and pay ladders. Within the ILM theory, primary sector firms value on-the-job training which facilitates the acquisition of firm specific skills linked to structured promotion ladders. In turn, this is argued to facilitate employee commitment within the firm and discourage high job turn-over. While the ILM theory provides insights into the firm and the role of the employer in developing particular job quality dimensions, the ILM theory is often critiqued for being static and polarized in its division between primary and secondary firms (Grimshaw and Rubery 1998). In addition, the ILM theory is argued to fail to take into account the intersection of external labor markets and how this shapes internal employment policies and practices in the firm (ibid). Indeed, through a case study of four firms, Grimshaw et al. (2001) argue that within the UK a 'dismantling' of ILMs is evident, within a context of changing conditions in both the external and internal labor markets. This was found to result in flatter organizational structures with horizontal job ladders, greater emphasis on external opportunities for promotion, down-sizing and outsourcing, individualized reward systems, fragmented pay structures and an emphasis on temporary employment contracts. Subsequent research by Grimshaw et al. (2002) on the same four firms further argues that flatter organizational structures have also resulted in a 'delayering' process which eliminates intermediary positions on the job ladder, thus reducing possibilities for on-the-job training as a pathway towards promotion to the next level. Despite this evidence of a dismantling process of ILMs and more generally a deterioration of many job quality dimensions (particularly for those

jobs at lower levels), the European Employment Strategy (EES) and EU member country employment strategies often continue to deregulate existing external employment protections to enhance labor market flexibility.

In the EU report, *Towards Common Principles of Flexicurity More and Better Jobs through Flexibility and Security,* reducing labor market segmentation between insiders and outsiders and facilitating labor market transitions for women, young workers and migrants are considered key policy objectives (European Commission 2007). At the national level, one can also observe the impact of these theoretical approaches. For example, in the *Spanish Employment Strategy 2012-2014* (Estrategía Española de Empleo 2012-2014), it explicitly aimed to decrease temporary contracts and labor market segmentation by decreasing employment protection legislation for primary sector or permanent workers (Ministerio de Trabajo e Inmigración 2011). Within the academic literature, labor market dualism/segmentation theory has also heavily influenced discussions concerning the distribution of atypical work, job security, occupations, and working conditions among certain groups.

Countries with higher labor market segmentation are often found to have a higher number of workers on temporary contracts and greater problems for labor market transition between temporary contracts and permanent contracts (Jessoula et al. 2010 and Bentolila et al. 2011). Leschke (2012) argues this labor market segmentation also extends to the social welfare system and the nexus between the two reinforce each other since access to social welfare often depends on one's work contract status. While segmented labor markets have been used to explain occupation allocation among certain labor market groups, occupational delineations can be problematic because within one occupation, different divisions and hierarchies can create different types of quality of work (Standing 2011). Employment polarization is another approach that has been used to explain decreases in quality of work among specific labor market groups. This approach refers to the relative decline of certain occupations and has informed reports on the decline of low paid, low-skilled jobs (Eurofound 2013).

Another approach that has been used to explain employment relations and quality of work in certain regions of Europe is the comparative institutional approach. While the

focus of this research is on Spanish and Irish quality of job outcomes through ALMPs at the firm level, job quality outcomes within firms still must be considered in the context of the wider meso and macro institutional features of each country. The comparative institutional approach to quality of work thus provides helpful typologies to identify convergent and divergent macro and meso level patterns that may emerge when examining job quality outcomes within Irish and Spanish firms. While two approaches are presented, the latter of the two is deemed more relevant for the central research question given the focus on the firm and more specifically ALMP internships.

The comparative institutional approach uses institutional typologies to compare work dynamics between countries (Gallie 2007). While slight variations have been proposed, the two commonly accepted models are Esping-Andersen's (1990) welfare capitalism regimes (derived from power resource theory and later adapted to employment regime perspective) and Hall and Soskice's (2001) varieties of capitalism (VoC) typology (also known as production regime theory). In terms of the two approaches, it can be said that the Welfare Regimes approach focuses more on the relationship between the employee and the welfare regime (national level), whereas the VoC approach centers on the relationship between the firm and other institutional actors (meso level).

Esping-Andersen's welfare capitalism regimes have been seen as important typologies in Europe because of the bridge linking employment and social welfare (Gallie 2007). Specifically, Esping-Andersen examines the degree of decommodification of social welfare policies and the degree of social stratification of social welfare among particular classes. From this he derives three types of welfare taxonomies: the social-democratic Scandinavian model (FI, NL, DK, NO, SE), the Liberal Anglo-Saxon model (AU, CA, US, NZ, IE, UK, JP, CH), and the Conservative Central Europe Model (IT, BE, FR, DE, ES). The Scandinavian countries are classified as having high decommodification and strong universal investment in welfare, while the Liberal Anglo-Saxon Model countries are classified as having low decommodification and place an emphasis on strong individualistic self-reliance in terms of means-tested assistance and social welfare investment. The last Conservative Central European countries are classified as having relative degrees of corporatism that embraces employers and trade unions, but grant

rights to social assistance according to class and status and thus have modest degrees of decommodification.

While Esping-Andersen initially labeled Spain and Italy as immature continental welfare regimes, subsequent efforts were made to develop a Southern European (Mediterranean) welfare model. The Southern European welfare model was characterized by a low level of social assistance, modest levels of active labor market policies, varying degrees of protection from dismissal, and moderate and low degrees of collective bargaining on wages and terms of employment (Segenberger 2011). Mediterranean regimes are also particularly known for high segmentation of entitlements and status (Sapir 2006).

Esping Andersen provides a thorough historical account of how these various models were formed, considering institutional, class, and political factors led to varying welfare regimes. While the welfare capitalism regime literature does not explicitly link welfare models to quality of work, the extent of welfare provision is highly dependent on the relationship between the state, the market and the family and individual's ability to survive without working, or the extent of decommodification, thus this has obvious implications for security and well-being. However, the model primarily examines the relationship between the state and the market, thus neglecting the firm. Furthermore, it does not pay particular attention to the role of skill formation and training, something that is of particular interest to this thesis, given the interest in ALMPs. Therefore, the Varieties of Capitalism (VoC) typology which focuses more extensively on the firm enables the identification of further factors which may impact Spanish and Irish job quality outcomes through ALMPs within the firm.

The VoC typology divides countries into liberal market economies (LMEs) and coordinated market economies (CMEs) and examines the interaction of firms in their institutional settings (Hall and Soskice 2001). Though reminiscent of the corporatist tradition, it shifts the focus from the macro to the meso level. The VoC approach argues that different employment dynamics depend on the strategies firms use to solve coordination problems in relation to industrial relations, initial vocational training, corporate governance, inter-firm relation and employee cooperation. Central to this

idea is the modes of coordination and the institutional complementaries found in such economies. Within Europe, LMEs consist of Ireland and the United Kingdom and are characterized by weak degrees of coordination and a lack of institutional complementaries. More specifically, these economies have low union density, low collective bargaining, poorly organized employer associations and competitive, hierarchical markets, weak vocational training systems and highly polarized skill structures. In contrast, CMEs consisting of Germany, the Netherlands, Austria and Sweden are characterized by high degrees of institutional coordination and higher levels of institutional complementaries. Specifically, these economies have high union density, high levels of collective bargaining and collaborative, non-market relationships, strong vocational training systems and highly specialized skills.

The two different production regimes of LMEs and CMEs are argued to then have varying implications for issues such as skill acquisition, relations between managers and owners, subcontracting, product and innovation strategies, industrial relations and welfare regimes. Gallie (2009) argues that LMEs are worse for quality of work because these countries have marginalized unions, low employment protection, and weak social welfare systems which can lead to polarization by skill, class and work contracts. However, the emphasis of CMEs on specific skills can also lead to gender segregation, since career interruptions among women would lead to employers not wanting to invest in training, thus strong labor market stratification may also lead to deterioration in quality of work (*Ibid*).

Spain, along with other Southern and Eastern European countries, was initially excluded from the VoC approach. Subsequently, a Mediterranean capitalism or Mixed Market Economies (MME) (Molina and Rhodes 2007; Edlund and Gronlund 2008) was proposed, an economy characterized by coordination through national legislation, resulting in serious coordination deficits and an absence of institutional complementaries (Molina and Rhodes 2007). These economies are characterized by strong state intervention, weak autonomous organization of business and labor and the legitimization of labor and business through access to state resources. MMEs may be considered worse for quality of work given the underdeveloped vocational training systems, low levels of

social protection and high employment protection, and low levels of investment in specific skills.

Within the VoC typology, as well as the Welfare regime, typology both Ireland and Spain appear to fair worse in terms of job quality. However, while the VoC literature is useful in drawing attention to certain institutional features that may impact job security and skill formation systems, as already argued previously in the examination of flexicurity, institutional complementaries are extremely rare and employment and social reform strategies are rarely coordinated (Burroni and Keune 2011). In addition, within Ireland and Spain, the dominance of weak and fragmented institutions may mean that particular sectoral and firm level features occupy increased importance in jobs quality outcomes.

In addition, the homogeneity of the VoC has also been critiqued. Goergen et al. (2012) in his assessment of VoCs asserts the need for further research to assess regional and sectoral diversity within and between Southern European countries, particularly the role of the informal economy. Spain particularly has large interregional differences according to industry types and levels of economic development. The classification of Ireland as a LME, has also been critiqued, with Gallie (2009) arguing Ireland actually lies between the two models because of its high level of centralized collective bargaining and social security. Thus, these findings suggest that while the VoC typology may prove helpful in assessing outcomes for quality of work at the aggregate level, it may not account for other explanatory factors that explain quality of work within or between countries.

Therefore, for this research, the VoC approach is argued to be useful to enable the identification of the particular incentives created by macro institutional structures which can influence firm level preference related to the quality of the job recruited through ALMPs. However, of interest is also the employer's role in ALMPs and the particular processes firms undertake to develop particular strategies of engagement with ALMPs. Therefore, this demands the consideration of the ALMP literature and why and how employers engage with ALMP internships. The following review of the ALMP

literature, thus addresses the two last key concepts of the research: ALMPs and the employer.

### **ALMPs and Employers**

Within the European Employment Strategy (EES), Active Labor Market Policies (ALMPs) play a central role in the combating unemployment, with young unemployed labor market entrants often the main target group. In general these policies aim to activate the *unemployed* through a job matching system and raise the productivity and skills of participants through public/private employment subsidies, job search assistance, labor market training, and wage subsidies (Kluve 2006; Boone and van Ours 2004). ALMPs also aim to prevent a depreciation of human capital and keep young labor market entrants in contact with the labor market.

The existing literature on ALMPs primarily evaluates the supply side of ALMPs in terms of whether participation in an ALMP increases an individual's probability of being employed, with a few empirical studies of Scandinavian countries that consider an individual's probability of both employment and earnings (see Card et al. 2009 for a full review). Because ALMP programs are continuously being modified and are highly diverse, it is difficult to evaluate the effectiveness of a stable set of ALMPs. Accordingly, in Kluve (2006) and Card et al.'s (2009) meta-analyses of the ALMP evaluation literature they find consistently that ALMP program type matters with some programs performing better than others. Specifically, they find that on-the-job training programs, which would include ALMP internships, tend to demonstrate favorable outcomes in the medium and short term. Unfortunately, none of these supply side evaluation studies consider the role of the employer in shaping such ALMP outcomes, nor do they consider other aspect of job quality beyond earnings outcomes. Indeed, Berry (2014) argues that ALMPs are part of the UK's wider welfare-to-work agenda and simply provide a ready supply of low-paid and flexible workers. Others also argue that while work-based ALMPs may be considered more effective in terms of employment outcomes, they are also highest in scope for substitution, deadweight, and displacement effects for nonparticipants (Piopiunik and Ryan 2012). Therefore, why and how employers participate in ALMPs appears particularly important in relation to job quality outcomes.

A small, but growing number of studies exist that examine the supply side, or the employer side, of the ALMP relationship (Swank and Martin 2004; van Berkel and van der Aa 2014; Ingold and Stuart 2014,2015; Ingold and Valizade 2015; Bredgaard and Halkjær 2016; Bredgaard 2017). All of these studies focus on the question of why and how employers participate or engage with ALMPs. Thus far, these studies have been primarily based within Denmark, the UK, the Netherlands, and France with two comparative studies of Denmark and the UK.

The first of these studies was conducted by Swank and Martin (2004) and focuses on how the organization of firms influenced the support and participation of employer's in social policies. While examining within and across country variation, Swank and Martin find that the representational power of business, coordination across business units and integration of associations in corporatist policy making forums, increases employer support and participation in social policies. They find strong links between ALMP spending levels and the centralization and coordination of employers and the integration of employer's organizations in corporatist policy making forums. Specific to the Danish corporatist model was the positive effect between employer membership in an employer's association and ALMP participation, a finding that was not supported in the pluralist UK. Therefore, this study suggests that higher levels of firm organization, such as in the case of Denmark, create broader levels of support for ALMPs as contributing to human capital and enhancing, rather than hindering the production process. Thus, encompassing business associations may facilitate collective and shared concerns and value ALMP policies for skill upgrading, human capital development and solidarity (Schmitter 1981; Streeck 1992).

Despite Swank and Martins' (2004) findings, Ingold and Valizade (2015) found in their examination of the different types and degrees of UK and Danish employer engagement that membership in a regional or local business association did play a role in UK employer engagement, while it played less of a role in Danish employer engagement. They argued for strong variation in how employers engage with ALMPs between the

two countries, with UK employers more likely to be 'instrumentally' engaged, based on one-off or ad-hoc activities, and Danish employers more likely to be 'relationally' engaged, which involved repeated and sustained engagement. The UK's employer 'instrumental' engagement was found to be largely related to individual and firm level policies such as corporate social responsibility and membership in regional and local business associations, whereas the Danish 'relational' engagement was found to be related to collective agreement coverage. Therefore, this may suggest that in the absence of strong trade unions and broad collective agreement coverage in the UK, regional and local business associations provide an alternative mechanism to encourage firm engagement in ALMPs. However, given that UK employer primarily engage on an ad-hoc, one-time basis, it should be questioned the extent to which membership in a regional and local business association represents a viable strategy for firms to develop sustained engagement with ALMPs. In addition, Ingold and Valizade (2015) also found that within the UK a large number of the employees recruited from ALMPs were on zero hour contracts, thus further questioning the extent to which UK employer membership in regional and local business associations actually contributes to employers collectively valuing ALMPs as a strategy for skill upgrading and the development of human capital.

Bredgaard and Halkjær (2016) further unpack the reasons why Danish employers engage with ALMPs through an examination of employers' participation in wage subsidy schemes. While relying on a variety of theoretical perspectives, they argue that Danish employers are more likely to participate in wage subsidy schemes when they are characterized by many unskilled workers, a higher coverage of collective agreements, a deteriorating economic situation, a domestic or Danish ownership structure and when the firm is part of the public sector. Thus, key hypotheses were developed according to the degree of firm skill-levels, the sector, the extent of collective agreement coverage, the economic situation of the firm, and internationalization of the firm. Many of these same factors also influenced not only firm participation, but also how firms organized their workers according to particular production strategies which have implications for job quality.

Similar to Ingold and Vilzade's (2015) categorization of different types of employer engagement with ALMPs, Bredgaard (2017) develops a typology of four types of

employer engagement with ALMPs which he uses to assess Danish employers' preferences and behavior towards activation policies. Specifically, the typology defines four types of employers: the committed employer (positive attitudes and participation), the skeptical employer (negative attitudes but participation), the dismissive employer (negative attitudes and no participation), and the passive employer (positive attitudes but no participation). Bredgaard (*Ibid*) finds that few Danish employers are classified as committed employers, with the majority as either dismissive or passive. Thus, though Denmark's employer participation in ALMPs is still considered high when compared to other countries, Bredgaard (*Ibid*) suggests this may indicate greater scope for employer outreach and a need for improving employer attitudes and participation towards ALMPs.

While adapting a slightly different perspective from the previous studies, Ingold and Stuart (2015) consider employer engagement, while surveying both employers and providers. Specifically, they focus on the UK welfare-to-work program, 'The Work Programme' (WP) and the engagement between private, 'pay-by-results' providers and employers primarily in private and third sector SMEs. They found that SMEs had little knowledge and scarcely recruited through the WP, and providers faced intense competition to access SMEs and large firms. Ingold and Stuart (*Ibid*) conclude that while employers are central to the success of the WP, the nature of UK employers as less organized and weak policy actors, means that an automatic interest and propensity for employer's to willingly engage with ALMPs does not exist. In addition, the 'pay-byresults' funding model only focuses on increasing numbers of repeat vacancies to the detriment of funneling more resources towards employer engagement. Importantly, they stress that an acknowledgement of the centrality of employers moves the ALMP thesis away from the assumption that the unemployed must be persuaded to take up available jobs, to one where, 'jobs are available if only employers can be persuaded to offer them to the jobless' (2015: 458). Thus, they argue the WP is erroneously predicated on supply-side ideology while ignoring the importance of the demand side for success.

The final two studies on employer engagement and participation in ALMPs are more exploratory in nature. In the first study, Salognon (2007) explores the role of an ALMP

interventionist approach to change employer's assessment and recruitment practices for vulnerable candidates. Specifically, the 'back-to-work' is explored, a program that relies on provider teams to persuade and negotiate with employers to encourage them to recruit those unemployed furthest away from the labor market onto stable jobs and reduce selectivity when hiring. Salognon (*Ibid*) finds that this particular interventionist approach creates a tri-partite negotiation process that shifts the balance of employer recruitment criteria (work experience, education level, etc.).

Along a similar vein, Van Berkel and Van der Aa (2014) explore the nature of employer motivation and engagement in 'innovative employer-oriented' activation policies, or policies that aim to influence employers' willingness to hire, train and guide unemployed people, in two Dutch cities. They found three possible motivations for employer participation: to hire new workers, to lower costs, and to enact social responsibility. Satisfaction levels were then accounted for by two groups of employers, those that engage in the implementation of ALMPs in client or co-producing roles, with the latter increasing employer willingness to be flexible concerning demands and also having great satisfaction with the activation policy. Specifically, they emphasize the importance of focusing on the interaction between demand and supply oriented activation policies, where an unmotivated ALMP candidate forced to uptake an activation program may deter firm participation, even when they offer training and personal guidance to new workers.

From this brief review of the literature on ALMPs and employers, it is apparent that this area of research is still fairly new and future research directions are possible. This thesis aims to move beyond the existing analyses on employer engagement with ALMPs to consider how employers that recruit through ALMPs construct flexible and secure job quality outcomes. In addition, the majority of these studies do not consider the sector of the firm beyond the public-private divide. This is a clear gap in the literature given that a sector level analysis can provide for similar institutional arrangements, market environments and job quality demands, something particularly relevant for crossnational comparative case studies.

The comparative studies between Denmark and the UK suggest that ALMP engagement is more frequent among Danish employers, and that UK employers may only periodically engage with ALMPs. Ingold and Valizades (2015) find that the majority of UK employers are using ALMPs to recruit individuals onto zero hour contracts, thus suggesting that ALMPs are valued by many UK employers as a ready supply of flexible labor. This in turn suggests that ALMPs among UK employers may have a higher propensity to facilitate poor job quality outcomes. While variation exist within Denmark in relation to firm engagement with ALMPs, corporatist Denmark still appears to have particular institutions that facilitate employer engagement with ALMPs, some which may also constrain how employer use ALMPs in their overall production strategies and support higher quality of job outcomes. Specifically, the high levels of trade union and employer organization and the coordinated and integrated policy processes appear to provide particular capacities for Danish firms to engage with ALMPs, capacities that are lacking in the UK. According to the VoC literature, Irish and Spanish firms would be embedded in less coordinated and integrated policy processes with a lack of highly coordinated trade unions and employers associations, characteristic of LME and MME regimes.

Therefore, further nuances may be found at the sector and firm level which play an important role in how employers use ALMPs to facilitate flexible or secure job quality outcomes. Importantly, Bredgaard and Halkjær (2016) also consider other firm factors which may intersect with meso and macro level institutions to influence employer engagement with ALMPs. These include the degree of firm skill-levels, the sector, the extent of the economic situation of the firm, and the internationalization of the firm. Thus, in addition to the Irish and Spanish macro and meso level institutions, these firm level factors will also be considered.

Finally, the last three studies on ALMP employer engagement relate more to the intersection of PES or intermediaries and employers. These studies suggest that more interventionist and co-producing methods of employer engagement with intermediaries and providers, outside the pay-by-results model, may lead to increased employer engagement, higher satisfaction levels, and in the case study of France, a change in employer behaviour for recruiting vulnerable labor market groups. Therefore, these

studies stress the importance of positive, intensive and collaborative interactions with PES institutions so as to encourage consistent employer participation and shifts in employer hiring behaviour. Therefore, along with the previously mentioned factors, the interaction between the PES and Irish and Spanish ALMPs is also considered a possible factor in influencing employer decision on job quality outcomes when hiring through ALMPs.

#### Conclusion

Through a review of the literature on flexicurity, quality of work, and ALMPs and employers, a clearer understanding was attained of some of the key research gaps and key aspects of the central research question. The flexicurity literature was argued to focus primarily on flexicurity balances attained through national and sectoral collective bargaining regulatory institutions, thus neglecting the actual flexicurity balances that occur in practice. In addition, the level of analysis in the flexicurity literature has primarily been restricted to the national level focused on clustering countries according to different analytical frameworks and the sectoral level with a tendency to focus primarily on sectoral and firm level collective bargaining. ALMPs are also argued to occupy an ambiguous position in the literature on flexicurity, with it remaining unclear exactly how ALMPs facilitate balanced flexicurity outcomes, particularly in countries such as Ireland and Spain which lack the coordinated employment institutions of the classic example, Denmark. Last, while some institutional (i.e. collective bargaining) conditions are suggested as necessary to support flexible and secure job quality outcomes, detecting these contributions may be less apparent in countries such as Ireland and Spain, given the absence or weakness of these conditions and may result in more diversity for flexible and secure job quality outcomes across sectors and firms. Therefore, this research adopts an analysis of flexible and secure jobs at the sectoral and firm level, one that takes into account flexicurity outcomes in practice. It also adopts the conceptual and analytical flexicurity framework of Ibsen and Mailand (2009) to assess job quality, while extending it to address flexible and secure job quality outcomes in practice among Irish and Spanish ICT firms.

Through an examination of the comparative institutional literature on quality of work, Ireland and Spain are concluded to fare poorly in job quality. According to the VoC literature, Ireland's position as a LME country is argued to provide for worse quality of work due to its marginalized unions, low employment protection, weak social welfare systems, and underdeveloped vocational training systems which can lead to polarization by skill, class and work contracts. Similarly, Spain's position as a MME country means low levels of social protection and high employment protection, weak unions, low levels of investment in specific skills, and underdeveloped vocational training systems which may be considered worse for quality of work. However, the critiques of the VoC literature question the extent to which institutional complementaries and coordinated social reform strategies exist. Consequently, this research selects to use the VoC literature as a guide to direct attention towards certain institutional features within Ireland and Spain that may impact job quality outcomes through ALMPs.

Last, the literature on ALMPs and employer engagement was examined. While the studies provide a great deal of insight into why and to what extent employers engage with ALMPs, less attention is paid to how employers that recruit through ALMPs construct job quality outcomes and what factors explain this. In addition, the majority of these studies examine employer engagement with ALMPs at the firm level, even when comparing across countries. Therefore, this research aims to fill these gaps by adopting a sectoral approach and one that takes into account how employers that recruit through ALMPs construct job quality outcomes.

The research also considers what macro, meso and micro level institutions and processes contribute to these job quality outcomes. Given Spain and Ireland's less coordinated and integrated policy processes with a lack of highly coordinated trade unions and employers associations, the existing literature suggests that Irish and Spanish employers would not have the same institutional capacities as those evident in the ALMP employer engagement literature on Danish employers. Therefore, other firm level features suggested in this literature including firm skill-levels, the sector, the economic situation of the firm, and the internationalization of the firm are also considered given the implications they may have on employer behavior not only in

engaging with ALMPs, but also adopting particular job quality outcomes when hiring through ALMPs.

Lastly, the literature also suggests a focus on the importance of positive, intensive and collaborative interactions with PES institutions so as to encourage consistent employer participation and shifts in employer hiring behavior. Thus, the PES is also considered to potentially play a dominant role in constructing employer hiring behavior. Therefore, the flexicurity literature enables the operationalization and conceptualization of job quality, while the VoC literature and the literature on employer engagement in ALMPs enables the identification of key macro and meso institutions and firm level features that may impact how ALMP internships facilitate particular job quality outcomes within the Spanish and Irish ICT sectors.

# **Chapter 3: Methodology**

This chapter aims to describe the research design undertaken to study the extent to which Spanish and Irish ALMP internships facilitate job quality at the firm level within the ICT sector. First the chapter will discuss the researcher's epistemological and ontological orientations and how this informed the methodology adopted and research methods used. Then, it will continue with a discussion of the qualitative methodology and comparative case study research approach used, including explanations for case study selection at the national, sectoral and firm levels. Following this, details related to the interview process, and sampling methods and data analysis are discussed. Lastly, ethics and some of the limitations of the research methodology are considered.

# **Epistemological and Ontological Orientations**

A researcher's epistemological (the construction of meaning) and ontological (the nature of reality) orientations form the foundation for the theoretical perspective adopted, methodology selected and the choice of methods undertaken (Crotty 1998; Denzin and Lincoln 2011). In other words, 'The gendered, mulitculturally situated researcher approaches the world with a set of ideas, a framework (theory, ontology) that specifies a set of questions (epistemology) which are then examined (methodology, analysis) in specific ways' (Denzin and Lincoln 2011: 11).

This research adheres to the epistemological and ontological tenets of the constructivist paradigm which assumes a relativist ontology (multiple realities exist), subjectivist epistemology (knower and respondent co-create understandings) and naturalistic methodological strategies. This perspective assumes that the knower and respondent are inseparable and thus the participant cannot be isolated from natural settings or context (Lincoln and Guba 1985). In line with this orientation, the researcher chose to adopt an (interpretive) case study approach so as to understand not only the relationship between ALMP internships and job quality dimensions, but also how this

reality is constructed at the intersection of the firm, while taking into account the embeddedness of the firm in wider sectoral and national settings. A qualitative research methodology was adopted relying principally on semi-structured interview methods alongside the analysis of government policy, collective agreements, labor market legislation and firm level documents and web pages.

#### **Qualitative Research**

An extensive literature exists evaluating the effectiveness of ALMPs in terms of a range of factors (i.e. ALMP type, individual characteristics, program duration, institutional factors) according to individual employment outcomes and earnings (see Card et al. 2009; Kluve 2006 for an overview). Importantly, these studies conclude that program type and duration matter, with programs that are closer to the labor market more effective. However, these studies also focus on the supply side of ALMPs and examine ALMPs primarily in terms of quantitative employment and/or earnings outcomes, thus neglecting the demand side, the firm as well as other quality of job dimensions that result from ALMPs. The lack of quantitative data on employer engagement in ALMPs within Ireland and Spain, and more generally very limited empirical studies that address the demand side using a comparative case study design (see Ingold and Valizade 2015; Bredgard 2017), provided further impetus for the need to obtain a more complete picture of how and why Spanish and Irish ICT firms engage with ALMP internships within their sectoral and national contexts. Taking into account this perceived research gap, this thesis aims to understand more fully the combination of factors that may impact job quality dimensions for firms that hire through ALMP internships. Thus, this thesis chose to adopt a case study design using semi-structured interviews that was deemed appropriate given its conduciveness to elicit key information when analyzing relationships in a social phenomenon in order to convey a more complete picture of reality (Berg 1998).

### **Comparative Case Studies**

The case study design is argued to enable the use of qualitative research methods so as to study a social phenomenon in its bounded system (Yin 2014). An advantage of the case study design is that one can 'preserve the integrity of the case and understand it as a configuration of features embedded in a specific context and time' (Fizz 2008: 417) or 'catch reality in flight' (Buchanan and Bryman 2009: 6). Unlike many quantitative research strategies which control for a specific set of features, the case study design enables the collection of many types of data, can involve multiple or single case studies, various methods of data collection, as well as several levels of analysis (Eisenhardt 1989; Yin 2014). Indeed, the complexities of organizational studies, with increased outsourcing, informal types of work (i.e. internships), and the reliance on interorganizational collaboration mean that studies relying solely on closed ended questionnaires may be met with confusion surrounding the particular project or organization in question and more generally present a rather static measurement of reality (Buchanan and Bryman 2009).

This thesis adopts a comparative case study design through the examination of multiple bounded cases (firms within countries) to examine the specific conditions that explain how ALMP internships facilitate job quality outcomes in different sectoral and national contexts. An important aspect of case study research is the triangulation of data from different sources to determine the consistency of findings. Thus, multiple types of evidence must be accessed to increase the construct validity of the study (Yin 2014). One of the most common strategies is to identify stakeholder groups and conduct indepth interviews with different individuals in these groups. This particular research relies on data triangulation from a variety of stakeholders including officials from public employment services, representatives from trade unions and employers' associations, managing directors or Human Resource (HR) directors/managers from host companies, policy experts and former ALMP interns/employees. In addition, national labor market legislation, collective agreements, policy documents and descriptive data were also important sources used to illuminate key findings and to inform decisions about the selection of dominant sectors and host companies.

One important consideration in comparative case studies is the selection of cases. The choice of Ireland and Spain is related to theoretical and empirical considerations. Ireland is generally positioned as a liberal welfare state (Esping-Andersen 1990) and liberal market economy (Hall and Soskice 2001), whereas Spain is considered a Mediterranean welfare regime (Ferrera 1996) and a mixed market economy (Molina and Rhodes 2007). Education and training strategies, including ALMPs, can be perceived as important to the effective functioning of competitive production regimes. Despite these different socio-economic taxonomies, Ireland and Spain's ALMP systems have been similarly characterized by relatively moderate levels of ALMP spending and uncoordinated and fragmented ALMP policies with low levels of employer engagement in ALMP training. Thus, neither Ireland nor Spain represents a 'best-practice' case for ALMPs. Therefore, firms that participate in ALMP internships represent an anomaly in Ireland and Spain.

The uncoordinated and fragmented Spanish and Irish ALMP policies have developed in tandem with an education system that lacks strong institutional links, such as vocational schools or apprenticeships, between education and the labor market. Both Ireland and Spain's education systems can be classified as having educational systems that generate general or school-based skills. Therefore, occupation-specific skills would be expected to be learned primarily on-the-job, as opposed to through vocational and apprenticeship systems. One of the implications of this is that employers are less familiar with the knowledge and skills acquired in school based systems and therefore a weak link exists between education and the workplace (de Lange et al. 2014). Thus, onthe-job training through ALMPs may be increasingly important among young people with little work experience to signal employee productivity and improve labor market integration in both Ireland and Spain (Chillas et al. 2015; Piopiunik and Ryan 2012). It should be added, however, that the existence of a general education system (as well as for countries with vocationally specific education systems) does not diminish the important signal generated by university qualifications for youth labor market integration (de Lang et al. 2014). Those lacking university level qualifications would still be expected to have more difficulties finding secure jobs, particularly in light of the

large expansion of university level qualifications among young people within Ireland and Spain.

In general, the lack of strong institutional links between education and the labor market would be expected to create more fragmented transitions for young people in Ireland and Spain, between ALMPs, atypical employment and unemployment. The relatively fragmented organization of the Irish and Spanish employers' federations and unions also means that more nuanced job quality outcomes would be expected at the sectoral and firm level. Thus, Ireland and Spain enable an interesting comparison as to how the intersection of institutions and firms may enable or inhibit specific job quality dimensions.

Adopting a sector level analysis provides for similar institutional arrangements, market environments and job quality demands. The ICT sector was chosen because it tends to be considered representative of the knowledge economy and is an area that covers a wide range of skilled occupations and tasks (Chillas et al. 2015). It also is known for its dynamic changes which lead to new forms of work organization, including outsourcing and inter-firm collaboration, thus providing for an interesting case study of post-industrial society and service economy. The economic well-being of the ICT sector was also a consideration to mitigate the economic crisis as a determinant variable. In addition, the prevalence of young workers in the ICT sector was also a key factor in sector choice. Moreover, Ireland has a long history of Foreign Direct Investment (FDI) in the ICT sector, attracting both large MNC firms, as well as an ever growing number of domestically grown SME ICT firms (Wickham and Bobek 2016). This provided for potential variation on firms size and domestic/MNC firms.

Within Spain, the study was limited to the Autonomous Community of Catalonia. This region was chosen because it has the second highest concentration of ICT firms in Spain (23%) with a diversity of firms sizes (16.1% large firms , 23% medium firms and 45.3% small/micro firms) (Ministerio de Energía, Turismo y Agenda Digital 2016). It also accounts for 36% of all foreign investment in Spain (Barcelona City Council 2012) and 21% of Spanish R & D. It has invested heavily in ICT research centers and provided for incubators for ICT firms. The Autonomous Community of Catalonia was also one of the

first (along with Galicia) to receive autonomous powers from Madrid to undertake occupational training in Spain in 1992 (Ramos et al. 2009), and thus has a highly developed and extensive range of ALMPs. Thus, these features provide for institutional conditions to potentially manifest various forms of public-private inter-firm collaboration for ALMP training, as well as potential variation in training and job quality dimensions on firm size.

The choice of the two ALMP internship programs, within Ireland (The National Internship Programme JobBridge) and Spain (*Practicas no Laborales en Empresas* or Non-Labor Internships in Firms), was largely informed by the research objectives which aimed to examine explicitly demand-side ALMP programs that had the largest opportunities for firm engagement. While some ALMP programs in Ireland and Spain integrate supply-side approaches (i.e. education and training) with demand side approaches (i.e. work experience/internships), the research was interested in solely demand-side approaches given the potential to enable a more complete understanding of how firm training and hiring through ALMPs may impact job quality dimensions in particular sectoral and institutional contexts. In addition, the literature suggests that programs closer to the actual labor market have higher scope for employment outcomes (Kluve 2006; Card et al. 2009), thus enabling a higher probability to sample firms that hired participants following the internships.

#### **Semi-structured Qualitative Interviews**

In-depth, semi-structured interviews are one of the most common instruments used by researchers and are particularly useful when adopting an inductive approach to research (Berg 1998). Thus, 36 semi-structured interviews were developed with experts in the field, government officials, trade unions and employers' federation representatives, former ALMP interns/employees and ICT firm directors and HR, and were conducted from February 2015- February 2017. The majority of the Spanish interviews took place during a fieldwork trip in the spring of 2015 and during a three month period in the spring of 2016 as a visiting researcher at the Autonomous University of Barcelona's Department of Sociology's, Sociological Research Centre on

Everyday Life and Work (QUIT) - Institute for Labour Studies (IET). While these interviews were all face-to-face, some successive interviews took place via skype due to distance constraints.

All of the interviews were digitally recorded with the interviews ranged from 40 minutes to 150 minutes, thus illustrating the flexibility and strength provided through semistructured interviews to probe further and digress from predetermined questions to elicit detail. Given the researcher's proficient level of Spanish (a Spanish B.A. degree and studying and working in Spanish speaking countries for five years, including Spain) the researcher had a proficient level to conduct all interviews in Spanish. All of the interviews were transcribed and analyzed using the qualitative software MaxQDA which aided to organize the interviews. While using MaxQDA, the research was able to develop codes, sub-codes and finally emerging themes.

# **Sampling and Data Collection**

The research process is often messy and full of challenges; with issues of access and power dynamics, the negotiation of cultural and linguistic norms, and openness to an ever shifting research design. While these issues can arise within any research project, many are perhaps more commonly associated with research that solicits data and interviews from the so-called elite (Welch et al. 2002). Indeed, one of the central challenges of this research was building trust to negotiate access to the firms that participated in the ALMP internship programs. Therefore, non-probability purposive sampling through snowballing was employed.

Initially, interviews were conducted with experts and key stakeholders in the area of Irish and Spanish ALMPs and educational and vocational training systems more generally. While the interview topic guide focused on the broader systems of training, where relevant (i.e. PES institutions), questions were also asked related to the selected ALMP internship programs. Access to the initial stakeholder interviews proved far easier than overcoming barriers to access ICT firms. Indeed, access to firm interviews was constrained by key gatekeepers, thus limiting the sample of interviews within the

firms themselves. Given the project frame, all of the firm cases also had to have participated and hired ALMP interns, as well as be within the ICT sector. Another interest of the study was to account for firm size, given that within Spain firm size has different implications for the presence of collective bargaining institutions within the firm and more generally firm size tends to vary on many dimensions of job quality (Ashton et al. 2008; de Kok et al. 2011). This was attained through non-probability purposive sampling with one small, medium, and large firm within Spain and one small and medium firm within Ireland. In addition, two of these firms were subsidiaries of MNCs, thus widening the ability to examine the influence of different production structures and organization of labor on job quality dimensions for participants recruited through ALMP internships.

For the employer interviews, a key sampling criterion was that individuals be wellversed in the firm's recruitment and training strategies, as well as the firm's participation within the ALMP internship program. Therefore, all employer interviews were conducted with individuals of upper level positions, as firm managing directors or HR directors/managers. Criteria for interviews with former ALMP internship participants/current employees were conditioned on the fact that they participated in the ALMP internship within the firm and that they were subsequently hired by the firm. While no specific criteria were set for age given the difficulties accessing the ICT firms, all of the ALMP internship participants were between the ages of 25 and 28, thus reflecting the nature of the ALMP internship profile which is commonly used among young people. The sample of ALMP internship participants/employees was also derived through a snowballing technique (i.e. referral from their employers). While this sampling strategy could represent selection bias, given that employers could select ALMP internships with positive job quality outcomes, the research was also interested in identifying the conditions and dynamics that facilitated particular pathways towards these job quality outcomes. Thus, topic guides for employers were designed in two parts: 1) to address the wider production and labor market organization practices the firms adopted that could potentially influence job quality, and 2) the ALMP internship and the processes leading to specific job quality outcomes. The intern interview provided further opportunities to triangulate the data, as did the examination of firm

strategies, websites and collective agreements (where relevant), thus providing further validity for the study.

In terms of the gender equality, a fairly equal sample was sought and attained through purposive and snowball sampling among firm employers and ALMP interns/employees. This was particularly important given that the IT sector particularly, is generally a male dominated industry and some job quality dimensions may be subject to gender bias (i.e. earnings). Among the ALMP interns/employee interviews, two out of the five interviews were male, whereas among the firm employer interviews, three out of the five employers were female. Therefore, this broadened the possibility for a variety of perspectives across genders.

## **Contextualizing the Spanish and Irish ICT Firm Case Studies**

A total of five ICT company case studies were conducted with firms that participated in the selected ALMP internships programs and subsequently hired young workers. In terms of size the case studies included two small Spanish and Irish ICT firms (12 and 10 employees), two medium Spanish and Irish firms (120 and 200 employees) and one large Spanish firm (800 employees). To protect anonymity, all of the firms were given pseudonyms. For Spain, these are the SPS (Spanish small) firm, SPM (Spanish medium) firm, and SPL (Spanish large) firm. For Ireland, these are the IRS (Irish small) firm and the IRM (Irish medium) firm.

The Spanish and Irish ICT firm case studies included one rural firm, the SPS firm, whereas the SPM, SPL, IRS and IRM firms were located within Dublin and Barcelona city or the nearby suburbs. Unique to the SPL and IRM firms, are the firms' positions as subsidiaries of MNCs. The mother company of the SPL firm is based in Germany with a total of 4,870 employees worldwide in 11 countries, half of those based in Spain, whereas the mother company of the IRM firm is based in the US and operates in 180 countries with a total of 3, 700 employees. In comparison, the SPS, SPM, and IRS firms are all domestic firms with their main products sold on the domestic market.

In relation to area of specialization, the SPS firm specialized in software development and IT support services for travel agencies, whereas the IRS firm specialized in web design and property cloud systems. Given the direct impact of the 2008 economic crisis on the Spanish tourism industry and the Irish housing sector, both firms were directly impacted. However, the SPS firm was able to avoid reducing wages and making employees redundant, whereas the IRS firm had only two permanent employees at one point during the crisis.

The SPL firm specialized in software and IT consulting for the finance sector, more specifically retail and investment banking, private asset management and the insurance industry, whereas the IRM firm specialized in software for the airline and hospitality sectors. While the SPL firm expanded rapidly throughout the economic crisis, it did cut some labor costs to facilitate this expansion, particularly in the non-technical departments, through the use of flexible contracts for young, new entrants. The IRM firm continued to rapidly expand throughout the crisis, primarily due to its export orientation and customer base, who continued to innovate through mobile software products so as to cut costs and increase revenue. The last firm, the SPM firm, specialized in online journalism and advertisement through social media platforms. Given its reliance on a large share of its revenue from advertisements to support its online journalism websites and the decrease in advertisement campaigns during the crisis, the SPM firm was also forced to reduce its labor costs through involuntary redundancies.

Outsourcing, particularly nearshore and off-shore, is a dominant feature of the Spanish and Irish MNC ICT subsidiary firms, whereas it is less prevalent in the Spanish and Irish domestic subsidiary firms. The only exception was the SPS firm, which outsources work through contracting, albeit to a small number of contractors (i.e. 20 individuals) based within Spain.

Given the variation in Irish and Spanish industrial relations, unsurprisingly the three Spanish ICT firms were unionized, whereas the two Irish ICT firms were non-unionized. In addition, only one of the three Spanish ICT firms had a work council. As previously mentioned the variation of these ICT firm features was an important sampling criterion,

particularly given the implications this can have for the organization of work and job quality.

For all of the Spanish and Irish ICT firms, this was the first time the firms participated in any type of ALMP internship program. While the numbers of former intern interviews were restricted due to the reliance on the firms to provide access to interviewees, the number of intern participants and individuals hired varied greatly among the ICT firms. The SPS firm and IRM firms hosted and hired one ALMP intern, whereas the IRS, SPL and SPM firms participated and hired through the ALMP internship schemes more frequently. Specifically, the SPM firm hosted twenty interns and hired approximately 18 interns, whereas the SPL firm hosted eight interns and hired approximately three interns. The last ICT firm, the IRS firm, hosted approximately six interns and hired two interns. Finally, with the exception of the IRM firm and the SPM firm,<sup>5</sup> all of the ALMP interns interviewed within the five ICT firms had technical or university level qualifications.

**Table 2: Summary Table of Spanish and Irish ICT firms** 

	Spanish ICT firms			Irish ICT firms	
	SPS	SPM	SPL	IRS	IRM
Firm Size	12	200	800	10	120
Area of	software	online	software &	web design	software
specialization	development	journalism &	IT	& property	for the
	& IT support	advertisement	consulting	cloud	airline &
	services for	through social	for the	systems	hospitality
	travel	media	finance		sectors
	agencies	platforms	sector		

-

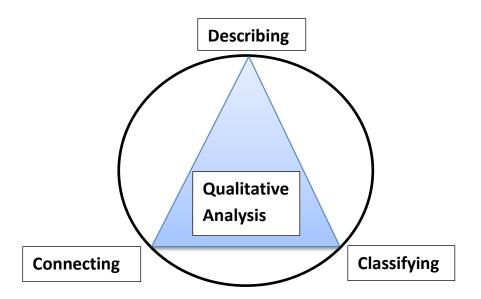
<sup>&</sup>lt;sup>5</sup> Despite many attempts to conduct an interview with an individual who was hired through the ALMP internship, the SPM firm was not in a position to grant access to conduct this interview. Consequently, data gathered for the SPM firm analysis primarily relies on data triangulated from the interview with HR, government policy documents, the sectoral collective agreement and Spanish labor market legislation.

Urban or	Rural	Urban	Urban	Urban	Urban
rural location					
Domestic or	Domestic	Domestic	MNC	Domestic	MNC
MNC			subsidiary		subsidiary
subsidiary					
Unionized	Yes	Yes	Yes	No	No
Work council	No	No	Yes	-	-
ALMP interns	1	20	8	6	1
hosted					
ALMP interns	1	18	3	2	1
hired					
Education	Technical	-	Master	Bachelor	Upper
level of	degree level		degree	degree	Secondary
former ALMP			level	level	degree
intern					level
interviewees					

# **Data Analysis and Coding**

One central difference between qualitative and quantitative research is the emphasis on meaning as opposed to numbers. Central to qualitative data analysis is the ability to analyze meanings through conceptualization. Indeed one of the critiques of quantitative research is that despite increasingly advanced statistical and mathematical manipulation, concepts are still reduced to a set of indicators which enable measurement, concepts which in themselves are value-laden (Sayer 1992). The process of quantitative research is often linear with concepts defined from the beginning, thus often preventing opportunities for reconceptualization of the data. Dey (1993) describes the qualitative data analysis process as a circular process of describing phenomena, classifying it and seeing how the researcher's concepts interconnect.

**Figure 1: Qualitative Data Analysis Process** 



Source: Dey 1993

The key to this process is to move from the descriptive level to the theoretical ideas. Coding is argued to be the 'pivotal link' between collecting data and developing emerging theory to explain the data (Charmaz 2006: 46). Thus, thematic analysis was used to classify the data through coding. The initial process of coding was informed by a broad conceptual framework based on the job quality dimensions established in the literature with new categories later added. This conceptual framework was refined through the consistent back and forth between the data and the literature. Broader themes then were developed and substantive connections were made between them. However, Dey (1993) asserts this does not necessarily imply causation or even a connection between the variables. Therefore, it demands that the researcher return to the data to not only search for evidence of the connection but to also ask why these events were connected in this way. This was an important aspect of the qualitative data analysis process given that the research objective was not simply to understand how ALMP internships impacted job quality dimensions, but rather to also further an understanding of how the interaction of particular social structures may enable or constraint particular job quality dimensions through ALMP internship recruitment strategies within the Spanish and Irish ICT firms.

#### **Ethics**

As part of the requirements of the Irish Research Council Government of Ireland post-graduate scholarship, the researcher was required to apply for ethical approval from the Maynooth University Ethical Approval Committee within the first three months of the scholarship. Ethical approval was received in December 2014. Informed consent was sought from all participants prior to the initiation of all interviews. The researcher provided a verbal description of the research project as well as an informed consent form detailing the research objectives, re-affirming the preservation of confidentiality and anonymity, data storage, the use of the data, as well as any potential risks associated with participation. Informed consent forms were provided in both English and Spanish for English and Spanish speaking participants. All interview data was recorded, and transferred to a password protected and encrypted laptop. Copies of both the English and Spanish versions of the informed consent forms can be found within Appendix C.

#### **Limitations and Reflections**

The adoption of a constructivist paradigm using a comparative case study approach through an interpretive lens means that the researcher is constantly constructing meaning. This meaning is not separate from the researcher's own assumptions. Indeed, Crotty (1998: 17) asserts that 'at every point in our research- in our observing, our interpreting, our reporting, and everything else we do as researchers- we inject a host of assumptions.' Therefore, the researcher's interpretation of the firm, ALMP internships, and job quality dimensions may be influenced by nationality, gender, class, age, and employment history. Indeed, the researcher's role as a female in her 30s, from a middle-class background, with extensive employment in unpaid internships may have influenced her interpretation and construction of the cases from the employer's perspective. However, the subjectivist epistemological stance adopted for this PhD project required 'knower and respondent co-created understandings' such that the

researcher's assumptions were consistently challenged and unpacked through reflection and consistent back and forth between the data and the literature.

The researcher was also acutely aware of her 'outsider' status as an American conducting research in Ireland and Spain. While the researcher had previously lived and conducted research briefly in both countries, the research project demanded increased sensitivity to cultural and linguistic norms, throughout all phases of the research. This was particularly important when organizing and conducting interviews so as to establish rapport, to elicit key information and referrals for further participants. One strength of the researcher's role as an outsider meant that she could maintain distance from social and political tensions, which was particularly important when conducting interviews with government and state officials. Indeed, Welsch et al. (2002) suggests that a researcher's role as an outsider when conducting elite interviews also elicits openness from interviewees to discuss topics that may be controversial for someone with regional alliances and local contacts.

Importantly, the original design of this research was for a comparative case study design across two countries and two sectors, specifically the ICT sector and the retail sector. The aim was to provide variation between high-skilled sectors and low-skilled sectors, as well as to account for differences in overall job quality between the two sectors (Eurofound 2014). Some of the Irish retail sector firms are also covered by company level collective agreements, thus providing an interesting comparison to the Spanish retail firms which are all covered by collective agreements. Unfortunately, gaining access to the Spanish retail firms, proved more difficult than anticipated. Despite many attempts to contact retail firms in Spain, the Spanish retail firms were not in a position to grant access to interviews. This barrier constrained the ability of this thesis to account for varying cross-sectoral dynamics surrounding skill levels, collective bargaining arrangements and job quality. While access was still challenging in the ICT sector, access was gained to three Spanish ICT firms and two Irish ICT firms. These firms were of varying size and two were subsidiaries of MNCs, thus providing for further possible divergences or convergences in terms of the job quality outcomes through the ALMP internships.

#### **Conclusions**

This chapter began by defining the roots of the researcher's epistemological and ontological foundations through the constructivist paradigm which provided the basis for a comparative case study approach, while adopting a qualitative research methodology which used semi-structured interviews, alongside the analysis of policy documents and firm level documents, collective agreements and web pages. The comparative cases study approach provided strength for this study because it allowed the researcher the opportunity to examine the complex combinations of factors that could potentially result in 'good' or 'bad' job quality dimensions through recruitment via ALMPs.

The sample size of individuals interviewed within firms was limited due to constrained access by gatekeepers. In addition, the researcher faced barriers accessing the originally proposed comparative retail sector. However, the researcher overcame some of this deficit in sampling numbers by accounting for diversity within firms by providing for variation in size, diversity in MNC/domestic firms and a range of interviews across genders within firms. In addition, firm websites, policy documents and collective agreements provided further insight into firm organization and production strategies which could potentially impact job quality dimensions through recruitment via ALMPs.

In conclusion, this chapter has presented the process through which the researcher arrived at particular methodological decisions and data analysis, as well as taken into account the researcher's awareness of ethical issues and potential limitations during the research process. Clearly delineating this research process is important to affirm the trustworthiness, quality and rigor in the research findings. In the following section, the thesis will present the central empirical findings to more fully explain how specific combinations of factors may impact job quality dimensions for firms that hire through ALMPs.

# Chapter 4: Irish and Spanish ALMP Systems

While Ireland and Spain's unemployment supports are traditionally regarded as 'passive' (Murphy 2012), since the 2008 economic crisis and Ireland's Troika (IMF/ECB/EU) bailout and Spain's ECB bailout, a policy shift occurred at the national policy level, towards increasing employer involvement in ALMPs to activate the unemployed. Since 2008, both countries have developed national activation strategies. Ireland's *Pathways to Work* was first launched in 2012 and *Spain's Activation Strategy for Employment* was first launched from 2010-2014 (*Estrategía Espanola de Activación para el Empleo*), (Ministerio de Empleo y Seguridad Social 2014). Both of these activation strategies focused on targeting the activation of young labor market entrants through ALMPs while stressing the importance of activation through firm sponsored work experience or internships. Both strategies have strikingly similar objective: to reform the unemployment systems to improve efficiency and coordination, to establish clearer links between active labor market policies through sanctions and evaluations, and to incentivize employers to provide jobs for the unemployed through subsidies.

The emphasis on ALMP internships closely reflects existing academic research which suggests employment increases when training programs are closer to the labor market and more fully integrated with employers (Lopez Mayan and Nicodemo 2013; McGuinness et al. 2011). For young labor market entrants, internships are often suggested to present an opportunity to gain certain 'soft skills' (Chillas, et al. 2015), as well as enable young labor market entrants to gain access to contacts and networks. Indeed, the importance of networks in obtaining a job in Spain has been argued to be higher when compared to Northern Europe (Franzen and Hangartner 2006) and a recent OECD report (2014b) found that only 35% of private sector employers in Ireland used the PES to fill vacancies, with most preferring informal channels. Indeed, internships through ALMPs may also provide an institutional structure for the inclusion of young

labor market entrants as well as provide a structure through which employers can be more integrated into the employment process, particularly for Small Medium Enterprises (SMEs) (Trade Union Representative, ICTU, 2015).

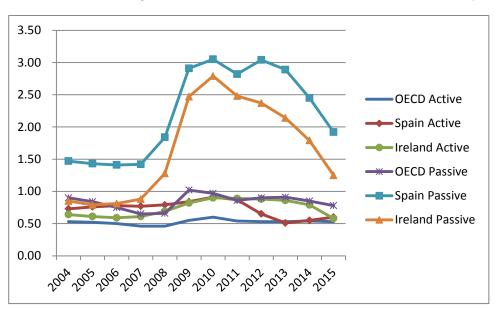
However, the institutionalization of internships through ALMPs has led to increased concerns over internship learning content, practices, and working conditions (European Commission 2012). This has led some to argue that the 'stepping stone' hypothesis may not always hold for young labor market entrants, but instead may result in a 'churning' process where individuals are trapped in a cycle of traineeships, temporary work positions, and periods of unemployment (European Commission 2012; Samek and Samenza 2012; Murphy 2015). In some countries, such as the UK, this 'churning process' has been found to be particularly true in sectors such as retail and wholesale, sectors that traditionally have an abundance of low paid jobs, individuals with low education qualifications and skills, and low levels of training amongst entry-level employees (UK Commission for Employment and Skills 2011). Chillas et al. (2015) also assert that internships are not limited to low-skilled sectors, but also are prevalent in other high skilled sectors, such as ICT. Within the ICT sector, they argue that interns are often exploited as a source of cheap labor, where employers may take advantage of interns' desire and need to obtain a specific combination of technical and soft skills through work experience so as to enhance their employability in the industry. Other research has argued that internships or work placements carry the highest probability of displacement given that interns can act as a substitute for cheap/free labor (Piopiunik and Ryan 2012). Despite these debates, existing research tends to consider the exit rate to employment, thus neglecting the reasons ALMP internships may result in particular types of job quality. These firms are also embedded in the particular national training systems, systems that have the potential to influence firm level decisions.

Therefore, prior to examining how ALMP internships may result in particular types of job quality, the firms must first be contextualized within each of their national level training and education systems. First, this chapter provides a general overview of ALMP spending and types within Ireland and Spain and situates the extent of firm involvement within specific ALMP types. Secondly, ALMPs are contextualized within the wider Irish and Spanish training and education systems and some of the challenges each system

poses for initial and continuous firm level training are considered. Finally, this chapter considers the extent to which ALMPs within the context of the Irish and Spanish training and education systems present particular enabling or disabling features for firms hiring and training strategies, and ultimately job quality.

# Irish and Spanish ALMP Investment

The standard classification of labor market policies according to the OECD is distinguished between passive (unemployment insurance and related welfare benefits paid to the unemployed) and active labor market policies (public/private employment subsidies, job search assistance, labor market training, and wage subsidies). Historically, both Ireland and Spain have represented cases where the tendency to invest in active labor market policies has been above the OECD average. However, this spending has been primarily concentrated on passive policies, with Ireland and Spain's passive policies being substantially above the OECD average.



**Table 3: Total Expenditure on Active Labor Market Policies (%GDP)** 

Source: OECD 2016

While spending on passive labor market policies is clearly related to increases and decreases in unemployment levels as illustrated during the crisis years, spending on active policies is not related to unemployment cycles, nor are increases related to decreases in unemployment (NESC 2011). Indeed, spending on ALMPs did not fluctuate greatly during the crisis years despite high levels of unemployment, thus supporting the conclusion made by others (Murphy 2012) that active labor market policy spending is not correlated to economic cycles of unemployment. Hence this does not actually provide a clear image as to Ireland and Spain's ALMP efforts. Instead, ALMP spending is often related to other external factors such as shifts in political parties, ideologies and ALMP priorities (Murphy 2012). Clasen et al. (2016) argue that data sets that examine ALMP expenditure suffer from serious validity (i.e. extent to which ALMPs genuinely measure work-focused support for the unemployed), as well as reliability (i.e. ability to measure sub-national expenditures) issues.

Indeed, within Spain, national legislation for ALMPs originates from the central government, but both the State and Autonomous Communities finance the Active Labor Market Policies. Thus, ALMPs remain highly decentralized with the Autonomous Community's regional Public Employment Services (PES) determining the programs developed and the particular ALMPs adapted to regional and local needs (Malo 2011). This means that large variation can exist in regard to ALMP funding, design and program models, as well as the extent to which some Autonomous Communities are more active than others. Thus, the extent to which all sub-national ALMP expenditures are accounted for nationally may be questioned.

While Irish ALMP funding and legislation has remained highly centralized, until 2013, the benefits agency and PES were separate. This meant that ALMP placements were highly decentralized, with the PES determining the provision and implementation of ALMPs. Martin (2015) argues that Irish ALMPs have traditionally overlapped in objectives, target groups and lacked institutional coordination. Murphy (2012) attributes this to a general lack of data and information sharing as well as institutional battles between placement agencies and the central government funding Department.

Therefore, ALMP expenditures within Spain and Ireland may not actually reflect the intensity of work-focused support for the unemployed, given the possibility for the omission of some sub-national expenditure data, as well as other factors that influence ALMP spending, such as institutional conflicts over funding. Another disadvantage of using data that amalgamates ALMP expenditure is that it does not examine specific program type nor consider target groups. Indeed, Kluve (2006) argues that ALMP effectiveness is more dependent on the type of program and targets groups. The interest here is not necessarily to evaluate the effectiveness of ALMPs, but rather to understand why ALMP internships may result in particular types of job quality and what institutional conditions and processes are necessary to facilitate this within firms. Indeed, firms within Ireland and Spain are provided access (or negated access) to particular ALMP types and thus the availability of these ALMP types has the potential to impact firm level decision making in terms of hiring strategies and training. Furthermore the interaction these firms have with not only different ALMP types but the various institutions that develop and implement ALMPs also may influence firm level hiring and training behavior. Therefore, ALMPs must be further disaggregated by type and the institutional configurations of each country mapped to further unpack the central research question.

#### **ALMP Types and Evaluations**

Caliendo and Schmidl (2016) argue that within the literature four broad types of programs can be distinguished as important youth ALMPs: job search assistance and monitoring, labor market training, employment incentives or wage subsidies and direct job creation through public sector work programs. The first youth ALMP, job search assistance and monitoring falls within the category of labor market services, and includes all measures to enhance job search efficiency such as job clubs, vocational guidance counselling and monitoring, and sanctions. Financial resources for job search assistance and monitoring are generally considered to be one of the least expensive to implement and thus ALMP spending would be expected to be low. While sanctions are generally not included in terms of ALMP type spending, Kluve (2006) has chosen to

include this in his ALMP category of job search assistance, given that this is also geared towards increasing the proficiency of the job matching process. As will be shown in the case of Ireland, sanctions are also often integrated into job placement schemes. For young people, monitoring and sanctions are considered a double-edged sword as they can create low-quality job matches, decreased employment stability, and even lead to the complete withdrawal of youth from the labor market (Caliendo and Schmidl 2016).

The second ALMP type labor market training encompasses classroom training, on-the-job training and work experience, and aims to foster individual skills that enhance participant employability (Kluve 2006; Caliendo and Schmidl 2016). For youth with little work experience, on-the-job training within firms is often argued to signal employee productivity, thus improving labor market integration (Chillas et al. 2015). The third youth ALMP, employment incentives or wage subsidies, aims to alter employer and employee behavior in the private sector through direct wage subsidies for employers or financial incentives for workers (Kluve 2006). For youth, these subsidies often encourage employers to hire young workers with a limited skill set with low levels of productivity. These subsidies aim to compensate employers for a short period of time until workers can obtain a skill set which enables them to move onto a regular contract within that firm or another (Caliendo and Schmidl 2016). The last youth ALMP is direct job creation through public employment schemes which involves the production of socially valued goods or services.

Existing studies assert that job search assistance and monitoring is effective in the short-term, while training, particularly on-the-job training programs are effective in the medium and long-term. Private sector incentive programs may also be effective, but they are often subject to the potential for displacement and substitution effects or deadweight loss. Finally, public employment schemes have consistently been found to not be effective since the schemes lack contact with firms and employers thus mitigating the rapidity of individual labor market integration (Card et al. 2010; Martin 2015; Caliendo and Schmidl 2016; Kluve 2006).

30.00% 25.00% 20.00% 15.00% 10.00% 5.00% 0.00% **2007 Training Fraining Employment Incentives** lob Search Assistance lob Search Assistance **Employment Incentives** Direct Job Creation Direct Job Creation and Monitoring and Monitoring **2015** Ireland Spain

Table 4: Spending on ALMPs by Type in Ireland and Spain, 2007 & 2015

Source: OECD 2016

# **Job Search Assistance and Monitoring**

Within Ireland and Spain job search assistance and monitoring have not fluctuated greatly in terms of spending. When compared to the OECD average for 2007 (12%) and 2015 (13%) (OECD 2016), Ireland has maintained mostly on average spending levels, whereas Spain has consistently spent below the OECD average. Within Ireland funding for job search assistance and monitoring is coordinated centrally and managed by various institutions at the national, regional and local levels, whereas within Spain funding for job search assistance and monitoring is coordinated nationally, but managed at the regional and local levels.

The PES institutions in both countries have faced criticisms for their structural weakness and lack of capacity to assist the unemployed in finding jobs. The PES institutions are under resourced with Spain having 260 job seekers for every PES worker and Ireland having 778 for every PES worker, the highest in the EU (OECD 2015). The Irish PES also has historically suffered from fragmented PES institutions, where service overlap, institutional coordination, and employer integration have been lacking (Murphy 2012;

Murphy et al. 2017). Indeed, a recent OECD report (2014) found that only 35% of private sector employers in Ireland used the PES to fill vacancies, with most preferring informal channels. Within Spain, administrative burdens, limited personnel and a lack of employer integration and trust with the PES also impede its functioning. Similar to Ireland, firms tend to not rely on the PES to hire staff. In 2013, only 403 thousand job offers were managed through PES out of a total of 15 million (Begoña and Suárez 2014). Indeed, the low trust firms have in the PES is reflected in the supply of jobs on offer through the PES that tend to be low-skilled (i.e. 50%) (Ibid). This concentration of lowskilled jobs on offer through the PES, largely results from the PES functions prior to 1994 reforms, when the PES selected long-term unemployed jobseekers and recipients of unemployment benefits for job offers regardless of their suitability for the job. This led to a loss of trust in the PES and thus firms continue to use the PES to avail of firm selected subsidized candidates. While many of these issues persist with the PES, both countries have gone through structural and program changes since 2008, that have changed the delivery of employment support services and in the case of Ireland, increased sanctions, albeit at a modest pace.

From 2012, as part of the Activation Strategy Pathways to Work (2012-2016), Ireland's Department of Social Protection merged its Public Employment Service and Income Support Service, thus creating a more centralized system of job search assistance. As part of this reform, 'one-stop-shops' for job search assistance were created, known as Intreo. Coordinated centrally by the Department of Social Protection, Intreo centers consist of sixty-one offices scattered throughout the Irish provinces and counties. In addition to the regional job search assistance available, Ireland also has an existing network of local employment service networks (LESNs) and job clubs which have existed since 1994 and provide job search assistance for disadvantaged areas and cater to the long term unemployed. While they were previously under the auspice of FÁS, they have since been subsumed into Intreo. Though these mergers have doubled the capacity of the Irish PES, the result is argued to be more managerial focus to local PES, with less individual oriented services (Murphy and Collins 2016). Another shift in job search and placement services is the Department of Social Protection's attempt to increase employer involvement in ALMP training through the development of an employer's

relation unit, exclusively committed to providing employer information and support, as well as a new government supported free job search website and 'Employer Roadshow' events to increase employer links through information provision and exchange to improve the PES.

Within Ireland, sanctions continue to remain low by international standard, .3% of the unemployed (Murphy 2012). However, this represents an increase from Ireland's historical tendency to resist implementation of sanctions in practice, with sanctions increasing from 359 in 2011 to 6500 in 2014 (Murphy and Collins 2016). This is largely in response to specific reforms which target long-term unemployed and young people under 25 through a new privatized PES pay-by-results model. From 2014, PES services were contracted out to two private institutions, Seetec and Turas Nua, to provide job search assistance through a pay-by-results model through a government program JobPath (European Commission DG, Employment and Social Affairs and Inclusion 2017). This new job search assistance model profiles the unemployed according to low, medium, high risk (as defined by length of unemployment/age) and requires active engagement of the high risk unemployed (i.e. meeting with caseworkers and engaging in training/work experience) with social welfare payment reductions or sanctions dependent on meeting these obligations.

Within Spain, reforms of the PES have been more modest than Ireland but also noticeable since the 2008 crisis. Given that the Spanish Constitution decentralizes competencies for the management of professional education, employment support and labor intermediation to Autonomous Communities, ALMP reforms are fairly general, with Autonomous Communities determining how to coordinate and manage them. For example, the PES and Income Support Services cannot be fully centralized. However, the PES offices within each Autonomous Community are shared with the Central PES staff who administers unemployment benefits and staff hired by the Catalan Autonomous Community who manage ALMPs. In addition to sharing the same space, the unemployment benefits and ALMPs share the same technical and centralized information portal, the information system for the PES or *Sistema de Información de los Servicios Publicós de Empleo*, thus providing access to information on firms and unemployed individuals. However, despite these efforts to centralize and integrate

passive and active ALMPs, through a 'one-stop-shop,' data on particular ALMP programs and individuals remains highly fragmented, with the central government suffering from serious data deficits in relation to ALMP participant numbers and outcomes. These data deficits are problematic for ALMP programs legislated for centrally, as it prevents rigorous quantitative evaluations. Thus, uncoordinated data sharing on the unemployed can hinder efforts to improve ALMP services and programs, as well as improve the interaction between passive and active labor market policy. Indeed, while the Spanish Activation Strategy for Employment or Estrategía Española de Activación para el Empleo 2010-2014 and 2014-2016 reforms did aim to improve the PES and the management of ALMPs, improving the coordination and interaction between unemployment benefits and services was not part of these reforms. Instead it established six national objectives in which each Autonomous Community's ALMPs should fulfil to determine how ALMP funding is allocated. This was not an effort to evaluate programs but rather to ensure the Autonomous Communities meet specific national priorities (Lope 2016). Given that actual ALMP programs and actions may differ within these categories, these objectives can be fulfilled differently and indeed managed differently at the level of the Autonomous Community. Within Catalonia two such areas of reform linked to the ALMP type job search assistance and monitoring took center stage and 1) increased private-public collaboration between the Catalan PES and 2) individualized support for vulnerable groups of unemployed.

In 2011, the Catalan government enacted the national government's 2010 National Labor Market reform (Real Decreto RD 1796/2010) which introduced and regulated the contracting out of Employment Services. Under this reform, the Catalan government approved approximately seventy private job placement agencies for public-private collaboration in addition to its seventy-two small local employment offices it shares with the national Spanish PES (SEPE) scattered throughout the region. This resulted in the Catalan PES, similar to Ireland, increasing private-public collaboration by contracting out orientation and job search assistance based on pay-by-results model. This

<sup>&</sup>lt;sup>6</sup> The head of the National Statistics Institute or *Instituto Nacional de Estadistica* revealed that the central government had no record of the number of participants in the ALMP internship program, non-labor internships, a program legislated for and funded centrally. Thus there appears to be a lack of data and information sharing between Autonomous Communities and the central government. This lack of quality sources of statistical data gathered central level has also been noted by other researchers (Lope 2016).

represented a shift towards privatization of the PES that was previously was uncommon in Catalonia. Similarly, the Catalan PES developed a more personalized system for the unemployed called *Cuestionarios de Factores de Culpabilidad*, a questionnaire which allocates unemployed individuals according to risk (i.e. length of unemployment, age, etc.) to determine appropriate support (i.e. employment, training). However, unlike Ireland, this individualized employment model was not directly linked to sanctions. Indeed, recent reforms have not necessarily resulted in an increase in sanctions as in the case of Ireland.

In terms of increased integration of employer involvement in ALMPs, national level reforms within Spain continue to focus on integrating employers through training and employment incentives (see Appendix C), as opposed to opening new lines of communication with employers through information exchange and feedback loops. Given the weaknesses of the PES, a government official from the Catalan PES expressed optimism that the privatization of PES services would increase employer and jobseeker use of the PES.

We are going to hire some [private] agencies to search for companies and young people through the Youth Guarantee, ones [private agencies] that understand the young person's profile. Then we will see if they [private agencies] can manage to set up six month non-labor internships or an internship contract for six months. Then we will pay the agencies and the agencies will pay the young person's wages.

Government Official, SOC, 2015

However, while the privatization of job search assistance may improve the capacity of the Catalan PES, it remains unclear how these new privatized institutions will establish connections with firms and indeed re-establish trust in the quality of the PES services.

Shifting to ALMP type, monitoring and sanctions, Spain has not increased its historically fairly relaxed implementation of sanctions. Within Spain according to the Law on Infractions and Sanctions (Real Decreto RD 5/2000), all unemployed receiving unemployment benefits or subsidies should register with the regional PES office and comply with a commitment to activity (*compromiso de actividad*), which compromises

the jobseeker to actively search for a job, accept an appropriate placement, and participate in specific activities related to motivation, training, retraining or professional placement purposes aiming to increase employability as well as meet the obligations described in the unemployment benefits regulations. Failure to comply with obligations results in light' or 'severe' sanctions of 6 months loss of unemployment benefits and/or a complete discontinuation of them (Ministerio de Empleo y Seguridad Social 2017). However, 'an appropriate placement' remains ambiguous, thus enabling Autonomous Communities to exercise their own discretion regarding the implementation of sanctions. This is reflected in the National PES which asserted in 2010, that only 3% of individuals who lost their unemployment benefits were due to sanctions, with others simply exhausting their benefits or obtaining employment. Indeed, in 2002 the central government attempted to define an appropriate placement as one that 'resembles any job held previously by the jobseeker for a period of 6-12 months at any point in their life' (Kluve 2005: 17). However, this proposal was short-lived and was met with a general strike and eventually retracted (Kluve 2005). In 2012, the central government attempted to recentralize competencies to implement sanctions for jobseekers breaching any obligations they had with the PES (i.e. rejecting an employment or training offer). However, this legislation was annulled by the Constitutional Tribunal shortly after, as it was deemed to interfere too much in the competencies of the Autonomous Communities.

#### **Labor Market Training**

For the second youth ALMP, labor market training, Ireland has historically invested more than Spain, well above the OECD average (13% for 2007 and 2015) (OECD 2016), whereas Spain has been closer to the OECD ALMP training average. However, both Spain and Ireland's training schemes have suffered from program overlap, administration costs and information asymmetries and more generally weak labor market linkages, with a preference in both countries to fund programs that have preferred standard classroom vocational training with limited employer involvement (McGuiness et al. 2011; Murphy 2012; Kluve 2005; Ramos et al. 2009). In addition, the

lack of an evaluation culture in both countries means that in the case of Ireland only a few evaluation studies exist on training programs, with evaluation of labor market training even sparser in Spain (Kluve 2006). Within Ireland these ALMP training issues have led to significant reforms to restructure the ALMP training system, whereas the Spanish reforms directed at ALMP training, similar to the reforms of the ALMP type job search assistance and sanctions, has been far more limited given that ALMP training is primarily provided at the level of the Autonomous Community.

Within Ireland, prior to 2014, most ALMP training was coordinated through the Irish training authority FÁS<sup>7</sup>. This autonomous regional organization was governed by a board of social partners who were solely committed to managing local training. While FÁS depended on central government funding, its success at accessing EU structural funds, as well as establishing strong links with local politicians meant that despite its limited impact on providing training programs that addressed the long-term unemployed or that integrated employers, most efforts prior to 2014 to restructure FÁS (so as to integrate it into the unemployment insurance system) were resisted (Murphy 2012). This resulted in the institutional battles between the Department of Social Protection (DSP) (formerly the Department of Social Welfare) and a situation where the DSP often bypassed FÁS to implement its own training programs. Thus, given the inefficiency of FÁS and following the emergence of a number of political and corporate scandals, FAS was replaced in 2013, along with the local authority Vocational Education Committees (VECs), by a new national training agency Solas. Along with Solas the local VECs and local FÁS training centers were merged to create sixteen regional Education and Training Boards (ETBs). These ETBs were delegated responsibility for coordinating (adult) further education through different regional colleges, as well as one time funded training courses (i.e. work placements), as well funding collaborative training projects with Local Employment Service Network (LESN) and firms. While interviews conducted with government officials assert that the restructuring of the ALMP training system was overwhelmingly positive, the links and integration of the different institutions were

<sup>&</sup>lt;sup>7</sup> FÁS was developed in 1988 through a merger of the National ManPower Service, the Youth Employment Training Agency and AnCo, the industrial training authority (Murphy 2012).

noted to be still lacking in some areas such as the inability of Intreo to refer individuals to ETBs (Employer Federation Representative, IBEC 2015).

ALMP training is also coordinated through Pobal, an intermediary institution that collaborates on behalf of the Department of Social Protection to coordinate DSP training programs at the city and county council level. The only social partner (i.e. trade unions and employers) coordinating and delivering an ALMP training program is the Irish employer's confederation IBEC which delivers one training program, Skillsnet. However, this program is primarily directed at continuous formal training for the employed (85%), as opposed to the unemployed (17%) (Skillsnet Evaluation 2015). While the Irish trade unions, as well as employer representatives were previously involved in some programs through the training institution FAS, as well as through the apprenticeship system, since the restructuring of the PES institutions, trade union involvement in ALMP training has been limited to an advisory role (i.e. representation on the advisory board on the Labor Market Council). Consequently, Irish trade unions focus on issues of pay bargaining and reform processes and dispute mechanisms (Murphy et al. 2017).

From the mid-1970s, both classroom based training and on-the-job work experience has been a key element of Ireland's ALMP menu. However, the training programs linked to on-the-job work experience have often struggled to make clear links with firms. Three types of post-secondary education and training have historically existed in Ireland for the unemployed: VEC vocational education, FÁS vocational training and apprenticeship training. The VEC vocational education training, under the auspice of the Department of Education and Skills and coordinated by the Vocational Education Committees through the technical colleges was generally structured around the academic year by semesters or terms and relied more on formal classroom training with any employer links dependent on motivated leaders in the individual colleges and schools. Training included post leaving certificate course (PLC), vocational training opportunities schemes (VTOS), Youthreach, Community Education, adult literacy and Back to Education Initiative (BTEI), with the majority of courses resulting in accredited educational certificates (FETAC awards) and only the VTOS specifically targeted at only the unemployed. The FÁS vocational training courses involved mixed classroom and on-the

job training year round and supported skill acquisition in short modular forms and through longer courses that in theory responded to employer demands. They included apprenticeships (classroom training interspersed by practical workplace experience during a seven phase training cycle over the course of three or four years), traineeships (min 30% time in the work place), specific skills training, momentum, and Bridging/Foundation. While some of the training courses complemented each other, many courses were fraught with rivalry and duplication. Indeed, a Former FÁS Staff Member (2015) remarked, 'There was a lot of duplication and a lack of coordination. You could have two of the same programs, one within FÁS and the other within the Institute of Technology.' In addition, the VEC vocational education courses tended to be negatively perceived by individuals, and associated with low-skilled jobs, as well as lacked employer integration, whereas the FAS vocational training courses were undervalued by firms with courses often perceived as lacking relevance and depth (Sweeney 2013).

Ireland's apprenticeship system suffered similar problems, with it being undervalued by both firms and potential participants alike and limited to construction, electrical, motor, engineering and printing sectors (Department of Education and Skills 2013), with heavy concentration of apprentices in construction. In addition, a stark gendered occupational divide existed between apprenticeships and traineeships, with traineeships concentrated in female dominated occupations (i.e. childcare, hairdressers, etc.) and apprenticeships in male dominated occupations (i.e. carpenters, bricklayers, etc.). Following the 2008 economic crisis, the apprenticeship scheme fell into disuse as the construction industry collapsed and in 2016 a new apprenticeship scheme was developed. However, this new apprenticeship scheme continues to mirror its predecessor with only the printing sector eliminated and the Finance and Hospitality sector added. The largest change is perhaps that the QQI (Quality and Qualifications Ireland) has been raised up to level ten, firms are fully responsible for apprentice pay, and the consortia where apprenticeships are designed include only industry and education partners, thus excluding trade unions. While trade unions are included on the Apprenticeship Council, the exclusion of trade unions from the consortia means that apprenticeship working conditions and access to trade union representation are no

longer considered key aspects of apprenticeship design or implementation, thus one of the fundamental legs of the stool is missing (Trade Union Representative, SIPTU 2017).

Alongside the redistribution of trade union involvement in training schemes and the more general amalgamation of the VEC and local FAS training centers into the ETBs, efforts were made to improve the link between skills and firm demand through skills consultation bodies. Within Ireland existing (i.e. Expert Group on Future Skills Needs, EGFSN) and new consultation groups (i.e. The National Skills Council) were established to rapidly respond to changing skill need. However, while these groups encourage social dialogue and an exchange of information and ideas between training providers and firms, the lack of statutory power of these institutions means that they are limited to an advisory role and recommendations are not legally binding and lack implementation mechanisms.

I remember the committee on the Expert Group on Future Skills Needs in the retail and wholesale sector and well the unfortunate part, is that FORFAS is not in charge of implementation, it just makes recommendations, but we came up with what I thought was a really good model in the skills development in the retail sector, going right from level 5, entry level and up to level 9 and indeed Aldi and Lidl do have Masters in retail management and we developed with the sector kind of a career structure and mapped it across to the framework of qualifications so it wouldn't be just a job in the shop and for those who wanted it there would be a possible career structure but there was nobody to do it in terms of implementing it.

Employer Federation Representative, IBEC, 2015

Thus, while these new consultation bodies are important to improve the link between firm and industry need, the institutions appear to have little capacity to implement training and skill strategies. Perhaps the highest levels of employer integration through training in the workplace for the unemployed was through the DSP's JobBridge internship scheme developed in 2011 by the head of the Labor Party, Joan Burton. The scheme aimed to provide work experience for individuals for six or nine months as new

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<sup>&</sup>lt;sup>8</sup> The scheme was highly regulated under the under FÁS with firms and social partners playing a key role in its governance structure, including the development of recognized certifications, learning content, and working conditions .

labor market entrants or as unemployed workers who wanted to obtain new skills. One aspect that was different from past training schemes such as FÁS traineeships and the Apprenticeship Scheme is that internships through JobBridge were not considered an employment relationship and thus unlike previous training schemes, firms were not required to legally pay the minimum or trainee/apprentice wage, and interns were excluded from employment protection and any type of social insurance coverage (Social Welfare and Pensions Act 2011). Instead host organizations were permitted (at their own discretion) to provide expense reimbursement and interns were provided a top up of fifty euros per week in addition to their social welfare. The scheme was also designed to be highly employer driven; enabling firms to participate in a recruitment process that closely mirrored normal employer recruitment and the selection of their own interview candidates. While the JobBridge scheme was one of the smaller ALMP schemes in terms of participation and received relatively favorable evaluations in terms of employment outcomes, it also received a great deal of negative media attention given its potential for displacement and substitution effects (which could not be accounted for in the DSP Indecon evaluation report) and consequently was discontinued following the general elections in 2017 and substantial loss for the Labor Party who originally developed the scheme.

Within Ireland training is mostly provided by the firm at the point of entry (i.e. on-the-job training/firms sponsored internships) or firm's recruit individuals directly upon obtaining their university qualification. Indeed, particularly in high skill sectors, firms continue to value and more readily recognize university degrees than derived lower level qualifications that may be derived through ALMP training. Indeed, a great deal of ALMP training continues to be concentrated on the Back to Education Allowance Scheme. While average spending on most training programs doubled between 2007-2012, spending on the Back to Education Allowance Scheme, which provides second or third level education courses to the unemployed, lone parents and the disabled, tripled, from €64.1 million to €199.5 million, with participant numbers increasing from 6,000 to 25,000 (Kelly et al. 2015). In the absence of strong graduate skills, the Irish government has also consistently turned to migration to fulfil skill's deficits instead of up-skilling harder to reach groups through ALMP training (Murphy 2012). Therefore, demand side

training schemes that encourage employer involvement diverge from most ALMP training schemes, which tend to focus on formal qualifications through skills gained in education.

Within Spain ALMP training is funded centrally through the Ministry of Employment and Social Security's State Public Employment Service or *Servicio Publico de Empleo Estatal* (SEPE) and managed and planned by the regional PES of each Autonomous Community. In the Autonomous Community of Catalonia, ALMP training is the responsibility of the Catalan PES, the Servei Públic D'Ocupació de Catalunya (SOC) but is managed and implemented by public and private training centers throughout the region linked to social stakeholders (unions and employers), municipalities, foundations and other types of associations. While the Catalonia Public Employment Service has seven of its own Centers for Innovation and Employment Training (CIFOs), adapted to the sectoral needs of each region and area (i.e. ICT, graphic design, metal manufacturing, etc.), the CIFOs are vastly underfunded and understaffed with each center concentrating on one area and their locations being scattered throughout Catalonia. Therefore, the capacity of the Catalan PES to provide training through these centers is extremely limited and depends on collaborating with other training providers through social partners, municipalities, and other organizations.

While some formal accredited training schemes fall in the realm of supply side sectoral vocational training coordinated by social partners through vocational training centers (Lope 2015), most training aimed at the unemployed is coordinated through the Regional PES. Training programs are selected by each Autonomous Community, but since the implementation of the 2014-2016 *Estrategía de Empleo de Empleo*, these programs must be defined within Employment Plans approved by the regional governments and should fall within six general objectives established centrally, with some indicators holding more weight than others. Though Autonomous Communities often jointly fund training programs using regional and state funds, failure to meet these common national objectives can result in reduced funding from the central government (Lope 2015). Within the Autonomous Community of Catalonia, social partners are directly involved in the approval of the *Pla de desenvolupament de polítiques d'ocupació de Catalunya* or the Development Plans for the Employment Policy

of Catalonia (PCPO), revised bi-annually, through a regional PES board of directors (SOC 2017). These plans provide detailed information regarding training programs and more generally ALMPs regarded as 'common' or state oriented and 'individual' or regionally oriented (*Ibid*).

Vocational training for the unemployed or *formación ocupacional* has historically involved classroom training provided through certified training centers that provide professional training certificates included in the National Catalogue of Professional Qualifications<sup>9</sup>, a catalogue designed by social partners to respond to identified labor market need and accredit professional training certificates. While work experience has always been a component of these courses, historically this has only been provided through short-term (approximately three months) work experience near the end of the training (Aivazova 2013).<sup>10</sup> However, the 2012 Spanish Labor reform shifted the options available to autonomous communities enabling them to more fully integrate classroom training with work experience through a dual professional training model.

Within the Autonomous Community of Catalonia, dual training took two forms: dual training in vocational education courses through the Ministry of Enterprise and Labor and dual training in initial vocational education course through the Ministry of Education and Training. The first is found within the Spanish subsystem of professional training for the unemployed, ALMP training, while the second is found within the Education system and is primarily directed at initial vocational training for young people. Given this section is interested in ALMP training, the first dual model will be the focus. In this dual model, unemployed individuals can select a dual vocational education course track which combines classroom training and training in firms integrated throughout the course. In addition, firms can approach the vocational

<sup>&</sup>lt;sup>9</sup> Within Spain, one of the main instruments for certifying professional training certificates is through the National Catalogue of Professional Qualifications, developed by the national government in consultation with social partners at the national level. In this National Catalogue of Professional Qualifications 26 Professional exist with professional qualifications allocated according to different skill levels (Ministerio de Educacion Cultura y Deporte 2017).

<sup>&</sup>lt;sup>10</sup> The labor market reform law 3/2012 established a new legal framework for vocational training programs in Spain based on the dual system model. Instead of establishing the practical training at the end of the course, it is now integrated throughout and also includes a contract determining working conditions between employee and the trainee (Real Decreto 1529/2012).

education training centers to adapt training content curriculum to firm needs.

However, while this represents a positive shift in ALMP training in Catalonia to more fully integrate firms into formal training, expert interviews and the existing literature reveal that wider problems exist with the recognition and content of these courses in Catalonia and nationally.

While these professional training courses are regulated by the Ministry of Enterprise and Labor and according to the National Catalogue of Professional Qualifications, these professional training courses are not generally valued by firms, with firms preferring technical degrees or third level degrees regulated by the Department of Education (Expert 3, Employment Research, 2015). Secondly, training areas are argued to be concentrated disproportionately in a few specific areas (Lope 2015). According to Lope (2015), in 2012 72.9% of the courses offered nationally were concentrated within seven of the 26 professional families of the National Catalogue of Professional Qualifications (Catálogo Nacional de Cualificaciones Profesionales): Administration and Management, Socio-cultural and Community Services, Informatics and Communications, Hospitality, Transportation and maintenance of vehicles, Health and Trade and Marketing. Within the Autonomous Community of Catalonia in 2013, courses were concentrated in six of the seven national level professional family areas with only Health excluded. Lope (2015) argues that while this may reflect the structural characteristics of the Spanish labor market, it also may indicate disconnection between the local employment services and the diverse needs of emerging industries. Thus, it may be questioned the extent to which Spain's formal (ALMP) training actually meets the firm needs and consequently the extent to which firms use this training type and value it. Indeed a Catalan trade union official argued that the Catalogue of National Professional Qualifications lacks skill accreditations, particularly for informal training, and the process to add qualifications is complicated and thus not flexible to individual training experiences (Trade Union Representative 1, CCOO 2015). In contrast, Spanish university qualifications are not restricted to a centrally decided National Catalogue of Professional Qualifications and thus are more easily adaptable.

Internships or on-the-job training through work experience is not a new phenomenon in the Spanish labor market. Since 1998, internship contracts targeted at youth have been regulated under the Workers Statute (Ministerio de Empleo y Seguridad Social 2015) and primarily aimed at providing work experience relevant to individuals with post-secondary educational qualifications. This first internship contract in 1998 aimed to provide youth between 15-30 years old in possession of a diploma or university degree a six month to two year period of on-the-job training in an area related to the person's educational qualification. Since 1998, successive revisions to the internship contract or contrato en práctica (Ministerio de Empleo y Seguridad Social 2017a) have changed the regulatory features of the contract (i.e. age, education requirements, duration), as well as linked it to different types of employment subsidies (i.e. hiring subsidies for the unemployed and hiring individuals from a non-work internship). The linking of the internship contract to employment incentives is where it can be considered an ALMP as unemployed individuals must be registered with their regional PES for firms to avail of these government employment incentives.

Current legislation stipulates that the internship contract is available to individuals who have a post-secondary qualification for a period of 6 months to two years in the same firm (or as defined in the collective agreement). All interns are included in the social security regime and employers receive a 50% reduction in social security contributions for hiring someone under 30 years old (35 for those with disabilities) onto an internship contract or individuals who were previously on a non-labor contraction. Firms using the internship contracts are required to pay 60% for the first year and 75% the second year of the salary of a worker undertaking the same task (Ministerio de Empleo y Seguridad Social 2017a). Under the Youth Guarantee additional firm subsidies are also available for any firm that takes on a young person (under 25 or under 30 if unemployment for group is 20% or more) for six months (SOC 2017a). Within the Autonomous Community of Catalonia the internship contract has increased drastically over the last five years, from 7, 836 in 2011 to 17,868 in 2016, an increase of 10,032 (SOC 2016). This represents the second largest increase in the use of temporary contracts over the past five years.

The non-labor internship contract in companies (prácticas no laborales en empresas) was developed in 2011 by the socialist government, at a time when unemployment was high. This was an effort by the central government to regulate open-market internships and convince individual and groups of companies to offer paid internships to qualified

unemployed individuals who due to a lack of work experience found themselves unemployed (Mella 2014). The main objective of this non-labor internship agreement was to aid young qualified participants' labor market integration. Participants in the non-labor internship scheme cannot have any previous work experience in the area of the prospective internship that is more than three months in duration, must be between 18-25 years old, and must have a university degree, vocational (at intermediate or upper level), professional sports/arts training certificate or a professional certificate (Prácticas no Laborales en Empresas 1543/2011). Thus, this initiative assumes that all participants have finished some type of formal theoretical training beyond post-secondary level and aims to complement this training, as opposed to act as a substitute for it.

Similar to other ALMPs within Spain, non-labor internships in companies are linked to numerous financial incentives to encourage employees to hire young workers. For firms that select a non-labor internship contract with the commitment to hire after, firms can receive an employment subsidy to cover the training expenses of the tutor and evaluations of the intern. If a host company hires an individual onto an internship contract, they receive a 75% reduction in social security contributions, while if the young person is registered on the Youth Guarantee, the company receives an additional 25% reduction- in other words they pay nothing (Ministerio de Empleo y Seguridad Social 2016).

The introduction of the non-labor internship contract represented a shift in training through work experience given that non-labor internships in companies do not consist of any type of labor contract, thus excluding them from the framework of collective bargaining and ultimately inclusion in collective agreements. Given that non-labor internships in companies are based on work experience and not linked to the Catalogue of Professional Qualifications, social partners also do not play a role in determining any type of accreditation for this training. Thus, while social partners can impact the administration of and management of the non-labor internship through the Catalan PES Board of directors<sup>11</sup> and through social dialogue on the inclusion of non-labor

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<sup>&</sup>lt;sup>11</sup> According to Law 17 2002 DOGC 3676 of the government of the Catalonia the Board of Directors of the Catalan PES (SOC) includes, the president of the Department responsible for employment, five

internships in the Youth Guarantee, the non-labor internship by default- since it legally is not an employment relationship- cannot be negotiated through the system of collective bargaining and collective agreements. Thus the participation of social partners is more limited for this particular ALMP program. However, when compared to Ireland it can still be said that the participation of social partners in the ALMP system as a whole is far greater than in the case of Irish ALMP system.

### **Employment Incentives**

Historically, Ireland and Spain have differed greatly in their spending on employment incentives, with Ireland spending very little and Spain overspending. While spending levels have fallen recently in Spain, ALMP employment incentives have historically been overrepresented, with expenditure often approaching close to 50% of ALMP spending (Kluve 2005). Given Spain's highly segmented labor market, with young workers tending to be concentrated in temporary work contracts (Bentolila et al. 2011), excessive spending on ALMP employment incentives has generally been concentrated on incentivizing employers to convert temporary contracts to permanent, hire individuals onto permanent contracts, as well as provide incentives to hire particular vulnerable groups onto training contracts or consecutive internship contracts (i.e. incentives to hire a non-labor intern onto an internship contract) (Garcia Serrano and Malo 2013). The recent decrease in the uptake of employment incentives within Spain coincides with the new model of employment activation which only guarantees funding to program areas that result in employment. Given the overall decrease in employment offer, the amount of funds available through the Autonomous Communities has actually decreased (Lope 2016). In contrast, Ireland continues to have a highly flexible labor market, with some of the lowest numbers of temporary contracts in the EU (Gash 2005). While historically Irish ALMPs did include employment financial incentive schemes through the Employment Incentive Scheme (1977-1994) and the Employment

representatives of SOC, five members of the most representative trade unions and 5 members of the most representative employer federations in Catalonia. They are responsible for approving Employment Plans of Catalonia, approving the Development Plan for Employment Policy, and more generally plans, budget proposals, EU program proposals related to the PES, and evaluations of PES policies, as well as discuss other issues through social dialogue as they arise (SOC 2017b).

Subsidy Scheme (1992-1993), over the last eight years spending, as well as participation in ALMP employment financial incentives has been relatively low when compared to other ALMP types (4% 2007 compared to 5% in 2015).

Within Ireland few ALMP training contracts provide employment incentives directly to employers, but rather tend to subsidize firms indirectly by providing subsidized wages for interns through the receipt of individual social welfare payments and/or an additional 'top-up' (i.e. former Work Placement Program and JobBridge). Any direct employment incentives to the firm tend to not be combined with training and take the form of employment subsidies or tax exemptions. Since 1998 Ireland has offered subsidized employment opportunities through its Revenue Job Assist and in 2010 its Employer Job (PRSI) Exemption Scheme. 12 However, both schemes suffered from low uptake largely due to a lack of knowledge of the schemes and complications surrounding access (Employer Federation Representative, IBEC 2015). Through feedback from employers due to increase efforts by the central PES to engage employers (i.e. the 'Employer Roadshows'), in 2013 a new simplified employment incentive, JobsPlus (Youth), was developed to replace the previous schemes. JobsPlus and JobsPlus Youth, simplified Ireland's ALMP employment incentives schemes so that firms received a direct subsidy for long term unemployed (1 year+ or 2 year+) and youth (under 25 and 4 months unemployed) through a monthly cash payment, with larger cash incentives available depending on the length of unemployment. While the uptake of the current JobsPlus scheme has been steadily improving (from only 1,114 participants in May 2014 to 5,738 in May 2017), participation still only represents 6.1% or 5, 738 of Ireland's main ALMP schemes for which participant data is available.

**Table 5: ALMPs by Number of Participants** 

	N	%
Back to work enterprise allowance scheme - self-employed strand	10754	11.5%
Short-term enterprise allowance	394	.4%

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<sup>&</sup>lt;sup>12</sup> The first ALMP employment incentive offered social security deductions and tax savings for hiring a long-term unemployed individual (12 month or more) and the second offered social security exemptions for hiring someone who was unemployed for six months or more (INOU 2011).

Other activation programmes - DSP part-time job incentive	468	.5%
Other activation programmes - TUS - community work placement initiative	7262	7.7%
Other activation programmes – JobBridge*	976	1%
Other activation programmes – Gateway	385	.4%
Community employment (CE) schemes (excluding supervisors)	22121	23.6%
FAS/Solas full time training for unemployed people	6452	6.9%
Back to education courses - back to education allowance (BTEA)	13569	14.5%
JobsPlus	5738	6.1%
JobPath	20700	22.1%
Wage Subsidy Scheme (private sector, incentives to hire individuals	2356	2.5%
w/disabilities)		
Rural Social Scheme (farmers/fisher(wo)men)	2632	2.8%
TOTAL	93807	100%

Source: CSO 2017; Houses of Oireachtas 2017

In addition, while Irish labor market legislation enables firms to combine an employer led training scheme (i.e. JobBridge) with an employment incentive contract (i.e. JobsPlus), firms do not frequently take advantage of this option (Government official 2, DSP 2017). Indeed, the evaluation report on the training scheme JobBridge noted that only 2.5% of participants who completed an internship less than one month ago were recruited onto a JobsPlus contract, with this figure rising to 4.2% after five to six months completion and falling thereafter (Indecon 2016). Therefore, while efforts by the government to improve information channels and simplify the design of the ALMP employment incentive have led to a gradual increase in uptake, uptake still remains low compared to other ALMP types, particularly direct job creation in the public sector.

In comparison, within Spain, firms have used employment incentives since the mid-80s, with employment incentives being a consequence of efforts by social partners and the government to mitigate the segmentation between temporary and permanent contracts (Garcia-Serrano and Malo 2013). Given that this segmentation has been pronounced among particular groups of workers (i.e. young people and women), given they were newcomers to the labor market when temporary contracts were first introduced in 1984, employment incentives have been consistently targeted primarily at these groups. Many ALMPs training programs (see Appendix C) have also been directly linked to employment incentives (either via the specific program, by age, or by contract

type- converting a temporary contract to a permanent one) to encourage employees to hire young people.

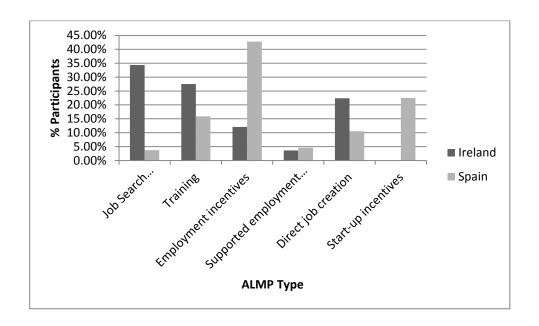
One of main reasons for the strong segmentation and consequential increases historically in ALMP employment incentives was the sharp divisions between employment protections related to the two contract types. The 2012 labor market reforms attempted to narrow this gap by reducing severance costs for permanent contracts (from 45 to 20 wage days per seniority year) and maintaining temporary contracts at twelve wage days per seniority year, thus reducing the gap from thirty-three to eight days for unfair dismissal. It also made it easier for employers to dismiss workers on objective or fair grounds as long as it was for economical, technical, organizational or productive reasons and eliminated the need for approval for collective dismissals. However, despite these reforms after almost four decades of firms using temporary contracts (of all forms), this segmentation was well established in production processes, with two work forces existing, those in low-paid, high rotation jobs, hired through temporary contracts and those with open-ended contracts for high paid low-rotation jobs (Garcia-Serrano and Malo 2013).

Thus, following the 2012 labor market reforms, most preliminary studies agree that the reform did not succeed in diminishing the duality of the labor market, but rather deteriorated working conditions overall (see Corral 2015 for an overview). Indeed, Garcia-Serrano and Malo (2013) argue that changing the organization of work is costly and consequently not easy, particularly for large firms where allocation of tasks to jobs is far more defined than small firms. Thus, while spending has resulted in a decrease in the participation in ALMP employment incentives<sup>13</sup> this is largely related to fewer funds being available as opposed to an actual change in the behavior of firms' production strategies. Instead as will be illustrated in the firm case studies, firms continue to rely on highly flexible entry tournaments, particularly large MNC subsidiary firms.

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<sup>&</sup>lt;sup>13</sup> Participation by program type is unfortunately not available for Spain at the national level and I was unable to access this information at the level of the Autonomous Community. Indeed, the lack of available data also impedes the ability to evaluate ALMPs within Spain (Lope 2015).

Table 6: Participants by ALMPs, Ireland and Spain (% of share of total ALMPs)



Source: Eurostat 2017

### **Direct Job Creation through Public Employment**

Ireland has historically invested heavily in public employment schemes, and in 2015 invested three times as much when compared to Spain, 20% compared to 10%. Within Ireland, the Community Employment Scheme (CE), which subsidizes temporary employment in the public or voluntary sector for the long term unemployed, is notoriously known for having the highest participation rate among ALMP schemes (23.6%). Despite a low progression rate of individuals into employment (NESC 2011), as well as the scheme being expensive and lengthy (three years), the CE Scheme remained relatively unaltered during the crisis years. Indeed, since its replacement of the Social Employment Scheme in 1994, the CE Scheme gradually became the backbone for the local community and voluntary sector, as well as offered other key social integration outcomes for individuals with lower education levels at the local level. In contrast, other more recent and much smaller work placement schemes more integrated with

firms, such as JobBridge, and with more favorable evaluations in terms of employment outcomes (Indecon 2016) were discontinued. This is largely related to the politics surrounding the two schemes. While CE was transferred under the auspice of the DSP with the reconfiguration of the PES institutions, it was historically linked to the more autonomous and regional training authority FÁS with strong connections to key politicians, thus the CE developed strong ties and relationships with local level voluntary and public organizations. In contrast JobBridge was a relatively new scheme (2011) developed by the head of the Labor Party, Joan Burton, one which received a great deal of negative media attention given its potential for displacement and substitution effects. Thus, when Labor lost seats in the general 2016 elections, the JobBridge scheme was discontinued. In contrast, the new Minister for Social Protection has recently reasserted his commitment to securing social benefits, improving and expanding the CE scheme (Department of Social Protection 2017).

Within Spain, direct employment through public sector programs does not play a large role in the overall ALMP system. Historically, the main direct employment schemes used nationally have been the *Escuela Talleres* and *Casa de Oficios* or Workshop Schools and Craft Centers launched in the 1980s which carried out public or social utility through communities and public administrations targeted at 25 years or younger who were unemployed for six month or more. However, many Autonomous Communities have gradually stopped using them due to the inability of organizations outside communities and public administrations to participate and the more general lack of employer integration (Employer Federation Representative 1, PIMEC 2015). Within the Autonomous Community of Catalonia for instance, neither these direct employment schemes, nor other types of direct employment schemes are used. Nationally, some other Autonomous Communities such as Extremadura and Andalucía have job creation schemes for agricultural employment. However, in general these schemes do not play a large role in the Spanish ALMP system.

In conclusion, it can be said that firms within Ireland and Spain have limited interaction with the PES and ALMP training programs with many ALMP certifications being

undervalued by firms. Within Spain, despite a decrease in financing employment incentives by the central government and recent labor reforms to permanent contracts, firm behavior has been conditioned over time to adapt to changing labor market conditions by flexiblizing working conditions of certain segments of the workforce. Employment incentives have been a consequence of this organization of labor and thus Spanish firms that do participate in ALMP training will tend to do so through direct employment incentives. Within Ireland historically, ALMPs have concentrated on direct job creation through the public and voluntary sector, with programs such as the CE Scheme continuing to be immune to veto points by the previous and current government. Opportunities for firm participation in ALMP training appear to be highly prone to veto points and changing economic conditions, with existing programs (i.e. apprenticeships and traineeships) being partially abandoned and reformed and newer programs (i.e. JobBridge) being discontinued. This lack of ALMP training program continuity would thus be expected to discourage firm participation. When firms do participate in ALMP training, employment incentives are generally targeted at the unemployed job seeker as opposed to the firm in the form of social welfare payments and top-ups. Unlike Spain, employment incentives directed at the firms are not a consequence of a highly segmented labor market reliant on numerical forms of flexibility for a segmented workforce but rather an effort to incentivize firms to hire more vulnerable groups of unemployed jobseekers (i.e. long-term unemployed and young workers). The historically low (but growing) uptake of employment incentives such as JobsPlus, means that firms also would not be expected to be conditioned to use employment incentives as a strategy to flexibly organize labor among certain segments of the workforce.

Firms within Ireland and Spain also appear to not value the quality of training certificates derived through ALMP schemes, nor trust the efficacy of the job monitoring services provided by the PES in Ireland and Spain. Instead, any training generally occurs at the point of entry (i.e. on-the-job training/company sponsored internships) and/or through the recruitment of individuals with post-secondary qualifications at university or technical level. When faced with skill deficits, both the Irish and Spanish

government would more heavily rely on immigration as opposed to re-skilling hard to reach groups.

One clear difference between Ireland and Spain is how strongly institutionalized social partners are within each ALMP system. Within Ireland, social partners were loosely incorporated into the Irish ALMP structure, through the former FÁS board of directors, as well as through the negotiation of terms and conditions of specific ALMP training programs (i.e. apprenticeships/traineeships). However, since the restructuration of the PES institutions and disbandment of FÁS, trade unions specifically, have been increasingly excluded from the negotiation and governance processes to influence ALMPs. This is in a context where the collapse of social partnership has reduced bipartite and tri-partite negotiating capabilities and collective bargaining is restricted to pay bargaining in the public sector and private sector collective bargaining is decentralized to enterprise level in Ireland. Thus, opportunities for the negotiation of training issues through bi-partite and tri-partite negotiation are extremely limited. Existing and new institutions to discuss skill strategies and need through social dialogue also appear to be weak, with mechanisms for effective implementation lacking.

In contrast, social partners within Spain are strongly institutionalized into the ALMP system, meaning that, in theory, trade unions and employers alike should be able to extensively influence legislative processes concerning ALMPs type. However, the strong institutionalization of social partners does not appear to strengthen the link between ALMP training or increase new and innovative training types. This can partly be attributed to more overarching structural issues of the Spanish ALMP and wider IR system where the state consistently plays a pervasive and coordinating role and social partners remain weak. Thus opportunities for social dialogue surrounding specific ALMP issues may fall short as social partners struggle to influence the political arena and gain legitimacy from the state (Molina 2014). However, ALMPs are also embedded in Ireland and Spain's wider training and education systems, both which present specific features that may enable or hinder firm level decisions surrounding hiring, training and job quality outcomes. Thus in the following section, ALMPs will be situated in the context of Ireland and Spain's training and education systems.

Education and Training Systems: The Role of the State, Social Partners and the Firm

### **Training for Employment in Spain: CVT and ALMPs**

In Spain, professional training consists of: training for employment (CVT and ALMPs) and initial training for employment (primary, secondary and post-secondary including IVET). The first is controlled by the Ministry of Employment and Social Security, whereas the second is controlled by the Ministry of Education, Culture and Sports. Training for employment is divided into two parts: the demand side and the supply side. The demand side consists of firms who solicit continuous training to fulfill specific company skill needs or employees who solicit training through the firm to enhance their own individual professional skill needs, whereas the supply side consists of lifelong training provisions for the employed and unemployed. The governance structure of the demand and the supply side of professional training for employment differs with the demand side relying on firms or groups of firms to solicit funding for training provision and the supply side managed by the State Foundation for Employment Training (Fundacion Estatal para la Formacion en el Empleo) or FUNDAE (formerly Tripartite Foundation for Training and Employment) which through consultation with social partners, contracts out training provision for the employed to public and private entities. The FUNDAE also provides offers of ALMP training to the unemployed through the national and regional PES and Public Administrators.

**Table 7: Professional Training for Employment in Spain** 

	Demand (Public and Private Funds)		Supply(Public Funds)	
	Firm	Individuals	Employed	Unemployed
	Training	marriadais	Limpioyed	Onemployed
	_			
	Actions			
Firms (CVT)	Х	Х		
Trade Unions and			X	X
Employer's Associations				
(CVT)				
Public Employment Service				X
and Public Administrators				
(ALMPs)				

Professional Training for Employment is primarily funded through firm tax levies, with funding also originating from European Structural Funds. Within Spain, all firms pay the firm levy tax (.7%- .6% from the firm and .1% from the employee), with the training levy equally distributed between training for the unemployed and employed (.35%) to each side (Escardíbul and Llinas-Audet 2010). From 1993-2015, these training credits were run by the Tripartite Foundation for Training and Employment, but the disbandment of this organization now means these responsibilities fall under the auspice of the new institution FUNDAE. The training credits are used to support general and specific training activities managed by firms, either in isolation or in groups, and to provide proportional social security reduction subsidies, with firm size determining the amount allocated and micro firms receiving a capped annual amount.

**Table 8: Firm Training Credits by Firm Size** 

Firm Size	Subsidy	Private
250+	50%	50%
50-249	60%	40%
10-49	75%	25%
1-9	100%	0%
1-5	Annual Credit of €420	

Source: FUNDAE (Fundación Estatal para la Formación en el Empleo), 2017

Accordingly, small firms receive full subsidies for their workers, with those with 1-5 employees receiving a maximum of €420 annually and larger firms expected to partially privately fund their training. Firms can use the training credits for any type of internal or external training and can collaborate for training offers with other firms. In addition, individual employees are entitled to *permisos individuales de formación* or individual training leave which is not included in the training credit calculation. This grant is provided for individual employees to take leave from work to undertake vocational training of any kind with firms receiving compensation for wages losses (OECD 2017). While the individual training leave and grants are allocated to individual employees, firms must solicit the specific training to obtain the wage compensation grants.

Despite the possible benefits of Spain's demand driven and highly flexible training credit scheme, three factors emerge as impeding the potential benefits of demand side training for firms: the resources required to navigate red tape to access training credits, the flexibility employers are given to choose training type, and more generally the lack of information on appropriate skill needs for small and micro firms. According to the 2016 Annual Report on Training (Fundación Estatal Para la Formación en el Empleo 2016), the participation of firms in accessing training credits continues to be skewed towards medium and large companies, with micro-firms least likely to participate. Proportionally, only 18.5% of all micro firms participate, 51.2% of all small companies,

81.2% of all medium companies and 93% of all large companies (FUNDAE 2017). According to interviews with the SME Catalan employers' organization, PIMEC, this participation is largely related to resources and the extent to which larger firms are more able to access training credits because they have more resources to navigate the red tape. The Spanish employer's association PIMEC argued that training credits are not feasible for micro companies because you need additional resources to manage the funding and negotiate the bureaucracy.

For a company that is one to five workers you get 420 euros per year. To have 420 euros per year you do this once a year. However, the process is lengthy. You have the same process, if you are a MNC, a large company, or if you are a company with two workers. Managing the system is the same. What happens? [You] have too much paperwork, and for what? For 420 euros you go two mornings to understand what you have to do, I don't know what else, send the documents, etc. or the company itself can pay [for the training].

Employer Federation Representative 1, PIMEC, 2015

Therefore, this would suggest that firm size matters in terms of access to continuous training credits. For knowledge intensive sectors such as ICT, this means small firms are disadvantaged and consequently may rely more heavily on upskilling at the point of entry through more flexible 'training' options (i.e. ALMPs or other flexible 'training' contracts) or if able, choose to privately fund continuous training.

Another issue with Spain's demand side of professional training system is the type of training firms invest in. One drawback of the firm training credits is that firms have complete flexibility to choose the type of training investment. While this provides flexibility for firms to rapidly address production and training needs, the literature argues that unless firms are required regularly by national government driven training strategies to analyze and evaluate long-terms skill need, firms tend to invest in most immediate, short-term and specific skill needs (Crouch et al. 1999). This is particularly relevant to small and micro firms, where these types of incentives are needed due to the tendency for short-term planning, limited HR resources for training at the firm level, and more generally limited knowledge of training options (OECD 2017). The ability of the firm to choose training type by using training credits can also pose problematic

when individuals are trained in more firm specific skills, as opposed to generic skills, which are more adaptable during crisis (OECD 2014). While skill forecast reports are provided sporadically by the European agency CEDEFOP (European Centre for the Development of Vocational Training) and tri-partite social dialogue agreements have historically aided the government to detect skill need and determine the allocation of training contracts on the supply side of professional training, the demand side of professional training has not been required to analyze and assess long-term skill need. This is apparent when examining firm uptake of long-term and more general skills in the 2015 Annual Labor Market Survey or Encuesta Anual Laboral with Spanish firms investing more in mandatory training (i.e. hygiene and health) than other skill areas (see Table 8). 14 Spanish firms also appear to invest more in job specific technical skills, as well as have low investment in IT skills, increasingly key to improving firm productivity and competition. The Spanish economy is structured by few large firms and dominated by micro and small firms. Given that micro and small firms tend to rely on short-term, informal HRM strategies and have limited resources in terms of not only financial resources, but also staff, mandatory training would understandably be the first line of action when training is considered.

Table 9: Share of Training in Spanish Firms by Training Type, 2015

Type of Training	Share of Training Firms
Mandatory Workplace Training (Health,	60.2%
Hygiene, Safety)	
Job Specific Technical Skills	43.2%
Other	24.4%
Customer Service	20.9%
Team Work	14.4%
Office Administration	13.3%

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<sup>&</sup>lt;sup>14</sup> Unfortunately, Ireland does not provide data to Eurostat in terms of enterprises offering any other type of training. Therefore, this data is used to make within country comparisons as opposed to between the two countries.

Management	11.6%
Foreign Language Training	11.4%
General Information Technology	10.3%
Problem-Solving	8.3%
Specialized Information technology	5.0%
Basic Literacy and Numeracy	2.0%

Source: Ministerio de Empleo y Seguridad Social, Encuesta Anual Laboral 2015

In addition, interviews suggest that many micro companies also may lack the appropriate information to access different types of training and do not have sufficient staff numbers to free up time for training.

The size of the firm is always complicated when it comes to training because even within companies they can have their own training centers. They also have the possibility to organize their staff so that someone can cover when someone leaves for training. However, with a small firm, particularly a micro firm, many times they don't even have knowledge of the training tools needed to directly train. Sometimes they do not know who to turn to and then the second issue is the staff numbers are small and the two, three or four people they have are the ones who have to take all of the shifts and schedules.

Employer Federation Representative 1, Foment del Treball-Patronal Catalana, 2015

Therefore, knowledge asymmetries are problematic for micro and small firms, particularly when planning more innovative training strategies and accessing courses that require more resources.

The other side of the coin for the Spanish professional training system is the supply side which consists of continuous training courses for the employed (60%) and unemployed (40%) in specific sectors, as well as any type of training for the unemployed. While the institutional actors have recently changed, historically the main difference with continuous training on the supply side for the employed and unemployed was that

trade unions and employer's associations managed the training funds and contracted and supplied training courses at the sectoral and inter-sectoral level. In contrast, training for the unemployed, or ALMPs, is managed through the regional Public Employment Services and Public-Private training administrators.

While firms and individuals on the demand side historically could request specific types of training by consulting trade unions and employers' associations to subsidize specific training courses, ultimately the decision to offer training courses for specific sectors was decided by the trade unions and employer's associations. Though this did not guarantee training courses necessarily reflected firm need, training courses could potentially be oriented towards perceived long-term training needs, particularly for micro and small firms in specific sectors (Rigby 2004). However, since March 2015 (RD 4/2015, 22 March), the governance model for the supply side of continuous training for the employed and unemployed has been reformed, largely in response to cases of fraud in managing training funds that emerged following the crisis, as well as some overlaps in training provision.

Previously, the Tripartite Foundation for Training in Employment was the central institution for trade unions, employer's associations and government representatives to detect training needs and design training courses. Through this negotiation process and joint funding from the national and regional governments, trade unions and employer's associations could issue tenders at the regional level, often linked to social partners, to subcontract supply side subsidized training courses to be administered by private training centers and consultancies. However, the recent reforms of the professional training system have meant that the Spanish government has shifted the governance model of supply side sectoral training for the employed and unemployed towards a privatized system of competition for training funds and one that largely excludes social partners.

Since the 2015 Vocational Training Reform, social partners no longer manage the training funds. Instead, they act as consultants to assist other bodies, such as regional governments, to detect training needs and are consulted on the development of the Multiannual Strategic Plan (Sanz 2015). The main determinant of training courses is the

National Catalogue for Professional Qualifications and all public and private training centers officially recognized by the central PES are eligible to compete for training courses. The Tri-partite Foundation has also been replaced by the State Foundation for Employment and Training, which gives majority veto power to civil servants (*Ibid*). Therefore, the role of social partners in training supply and design for supply side sectoral training for the employed and unemployed has been reduced since 2015, thus recentralizing supply side funding and training program allocation and limiting social partners' role in training provision. This is a clear divergence for Spain's professional training system, given that social partners have historically played an important role at the national level in developing tripartite agreements on continuous training (see Rigby 2004 for a review of Continuous Training Agreements) and regionally through the administration of funding to training suppliers.

The other side of the supply side consists of training solely for the unemployed and is where the classic ALMP is found. It aims to activate the unemployed and is coordinated through the national and regional PES, at the level of the Autonomous Communities, and with other local Public administrators (i.e. municipalities, private/public providers, etc.). Funding originates centrally but is matched regionally and locally. Within the Autonomous Community of Catalonia, these public administrators include municipal actors which play an important role in administering ALMPs, with funding administered by the regional Catalan Employment Service according to population and economic importance.

The governance of ALMP training for the unemployed differs from the sectoral training courses since at the national level social partners do not have any legal competencies to manage ALMP programs or funding (Perez del Prado 2013). Indeed, any social partner participation in the management of ALMP programs and funding allocations is decided at the level of the Autonomous Community. The Autonomous Community of Catalonia has a long tradition of regional institutions (i.e. the Labor Market Council, the Council for Continuous Vocational Training and the Employment, Economic and Social Council of Catalonia) facilitating social dialogue on labor market and training issues, including a Catalonia PES Board of Directors comprised of many social partners (i.e. regional administration, most representative employers' associations and trade unions, and local

representatives from the municipalities). In addition, annual Regional Employment Plans and the recent Youth Employment Program of Cataluña (part of the Spanish Youth Guarantee 2014-2020) have also consistently involved social dialogue among key social partners. However, negotiations can be lengthy and may focus more on the process of negotiation at the expense of the actual types of training being negotiated.

Imagine if our collective bargaining is so complex, it is really hard to go any further in collective agreements on aspects of training, traineeships or apprenticeships. In a project with Comisiones Obreros (CCOO trade union) we are trying to find a model for dual training and of course both organizations believe that collective bargaining has to be more developed. It is really difficult, very difficult. For example we had a social dialogue exercise in the Catalan Labor Market Council to decide on recommendations for the collective bargaining of vocational education and training. These were only recommendations and we were negotiating for nine months.

Employer Federation Representative 1, PIMEC, 2015

In addition, regional activation plans are often undermined by pervasive state interference and thus social partners lack the coordination to collaborate on a detailed and coherent training strategy.

There is no unified vision [of active labor market policy]. Although there is an Activation Policy Plan in Catalonia it's like, let's say a general framework. The details that matter, how it effects the day to day lives of the people; we do not have the opportunity to discuss these things because if you really think about it, the Royal Decree, is used by the Spanish government a lot to justify that there is an urgent need to regulate without discussing the details with anyone. When there is a Royal Decree, there is no agreement with the social agents. This is the issue in the background.

Trade Union Representative 1, CCOO, 2015

Even when ALMP 'packages' are negotiated through state driven, social dialogue, such as the EU Youth Guarantee, the programs negotiated for are mostly based on existing ALMP programs, with few actual new ALMPs incorporated. Indeed, national legislation frequently is at odds with the diverse types and management of ALMPs at the level of the Autonomous Community and consequently poor design nationally can refract from

the effective negotiation of ALMP implementation. Indeed, in the case of the Youth Guarantee, national level legislation restricted participation in Youth Guarantee programs to young people (under 25) who are registered in a specific data base for the Youth Guarantee with regional PES. This has created conflict with the regional PES, given that they could not directly take advantage of Youth Guarantee funding.

Spain [the central government] made it so in order to access the Youth Guarantee programs, one has to be registered in a database [for the Youth Guarantee]. Since no young people are registered, there is no obligation to actually do something, the wonderful Ministry of Employment. It's a serious problem because it will stall the participation of young people in the Youth Guarantee and the budget cannot be spent. So from the beginning this database is very, very, very poorly designed and today there are very few young people registered. In Catalonia's case we have more young people registered, 10 thousand, but 100,000 young people that are not working-10,000 or 10% [are registered]. This is Madrid's responsibility. We cannot do anything here.

Expert 4, Training and Employment, 2015

Thus, the pervasive influence of the state undermines and limits the terms of conditions of negotiating ALMPs, with any efforts by social partners concentrated on influencing the alteration of funding arrangements centrally.

In addition, to implementation deficits resulting from centrally designed ALMPs, ALMP funding has also recently been recentralized. Under the new activation model developed through the Planes Annuales de Política de Empleo (PAPE) and the Estrategía Española de Activación para el Empleo 2014-2016, ALMP funding is allocated to Autonomous Communities according to adherence to general ALMP categories and overall employment within Autonomous Communities. This new activation model includes strategies to strengthen the PES personalized services for the unemployed, retrain older and less skilled workers, and increase public-private collaboration in administering public employment services. Under the new ALMP funding system, 60% of Autonomous Communities' funding is based on the number of unemployed who obtain employment and 40% on the adherence of each region's ALMP programs to six central objectives (for 2013, 2014, 2015, 2016): 1) Orientation, 2) training, 3) opportunities for employment, 4) equal access to opportunities for employment,5)

employment services (Lope 2013). Each objective is weighted differently and if an Autonomous Community receives a good 'evaluation mark,' funding is increased progressively (i.e. from 60% in 2015 to 70% in 2016). However, this evaluation mark is not related to evaluating specific ALMP programs but rather how well Autonomous Communities' ALMP programs 'fit' the specific objectives. In addition, no clear link is made between specific ALMP programs and employment outcomes. Therefore, in a context where the recentralization of ALMP funding refocuses Autonomous Communities' ALMP efforts to 'fit' specific objectives, as opposed to evaluating the success of ALMP programs in terms of labor market outcomes, possibilities for social dialogue on ALMPs, even in Autonomous Communities such as Catalonia, remain limited to struggles over how to maintain state funding.

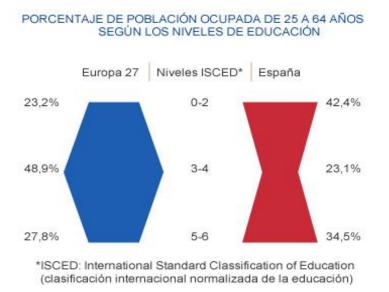
# Regulated or Initial Training: Spanish IVET

Regulated or initial training is the second part of the Spanish professional training system and is coordinated by the Ministry of Education, Culture and Sport and similar to CVT for the employed and unemployed, is integrated into the National Catalogue of Professional Qualifications. Within Spain, obligatory education ends within Spain at the age of sixteen. Following this, individuals with the compulsory secondary education certificate can elect to 1) enter a *Bachillerato*, two preparatory years for the exam to enter university, 2) enter pre-vocational studies students or IVET, or 3) enter the labor market. The IVET is delivered in vocational schools and has two levels intermediate (upper secondary) and higher (tertiary), both linked to intermediate and higher technical diplomas through the Ministry of Education, Culture and Sport. The successful completion of the intermediate technical degree and subject to an entrance exam enables graduates to then enter the higher IVET programs.

While IVET provides an alternative pathway towards recognized qualifications for upper secondary students, Spain's upper secondary vocational education system still remains relatively weak (Wolf 2013). Graduation rates from IVET are relatively low and IVET systems lack strong links to the labor market with primarily classroom based training

followed by a short period of work experience during the last year. While the most representative employers' can make recommendations on qualifications and their evolution through the national tripartite advisory body the General Council of Vocational Education, their influence at the local level remains limited to the provision of workplace training. In addition, most individuals who complete obligatory secondary education successfully do not value the IVET route and continue on to obtain the *Bachillerato* to provide entrance into university. On the other hand, a large proportion of the population also leave secondary education early in Spain, and consequently are not eligible for the IVET or Bachillerato route. Indeed, the reality of the Spanish initial training system can be compared to an hourglass, with 42.4% of the working population with up to or less than a lower secondary education, 23.1% upper-secondary and post – secondary non-tertiary education and 34.5% tertiary education.

Figure 2: Working Population by Education Level (25- 64 years), EU-27 and Spain



The upper part of the hourglass represents the dramatic increase in the proportion of third level graduates, with those in the age group 25-29 almost twice as likely to hold a third level degree compared to those in the 35-64 age range. The middle represents the underuse and lack of graduation rate in the (initial) vocational education system, with most of these individuals only reaching intermediary level. The bottom represents the

percentage of individuals with secondary or less and provides evidence of the high dropout rates from education and training, with 23.5 percent of 18-24 year olds in this category in 2013, compared to Ireland's dropout rate of 8.4 percent in 2013 (Eurostat 2013). This high dropout rate means that young labor market entrants have a higher probability of lacking recognized skill qualifications and consequently a higher propensity towards unemployment. This low-skill level among a large portion of Spanish population creates a situation where firms struggle to engage individuals in training with many individuals lacking basic reading and math skills (Employer Federation Representative 1, PIMEC, 2015). Thus, firms in this situation may not be incentivized to negotiate the red tape to access to access firm training funds. Thus, despite the alternative route provided through IVET, Spain high secondary school dropout rate and a preference for university education means that IVET remains underused and undervalued.

#### **Training for Employment in Ireland: CVT and ALMPs**

Unlike Spain, Ireland's system of professional training for employment is not as clearly divided between IVET and CVT and ALMPs. IVET policies and programs are not implemented through one government department, but rather different government departments and intermediary organizations. Ireland also lacks a system of sectoral training funds managed by social partners to finance CVT. Instead Irish law establishes that all firms must contribute to the National Training Fund through a levy on firms (.7% on employee earnings), with only low-paid employees excluded from this contribution (ReferNet Ireland SOLAS 2014). While the Expert Group on Future Skills Needs (consisting of representatives from both employer's associations and trade unions) and the newly formed National Skills Council (composed of private and public sector representatives) advice the government on the allocation of funding, no formal process of social dialogue has existed since Ireland's social partnership ended in 2009. Instead, the Department of Education and Skills by law has the power to allocate funding to the various government departments, agencies, and specific programs, which supports both training for the unemployed and continuous training for the employed. Thus firms can

solicit funding directly from the National Training Fund or from any of the specific programs offered through government departments, agencies and specific programs.

**Table 10: Professional Training for Ireland** 

	Demand (Public and Private Funds)		Supply(Public Funds)	
	Employed	Unemployed	Employed	Unemployed
Individual Firms	Х			
Employer's Association-	Х	Х		
Firm Networks				
Public, Private and Non-			Х	X
Profit Employment				
Services				

While many government agencies and programs support training for micro-companies and SMEs, stipulations for demand side CVT training vary widely and according to specific restrictions of funding bodies or programs. Given that the National Training Fund also supplements ALMP expenditure within Ireland, when unemployment levels increase, less funding is available from voted public expenditure funds, thus resulting in less money being available for upskilling the employed (Department of Public Expenditure and Reform 2017). This has been argued to be an ineffective strategy to promote firm upskilling and growth (IBEC 2017). Given the large increase in individuals who pursued upper level training and third level education during the recession, the National Training Fund was heavily used to supplement the public expenditure funds. As a result the Irish government has proposed to increase the firm training levy, thus sparking debates related to transparency on funding allocation (McGee 2017), as well as more generally the lack of social partner involvement in the management of training

funds (OECD 2014b). Thus, unlike Spain, firms do not have an allocated amount to supplement training needs, but instead access is dependent on stipulations for CVT established by state agencies with public training funds fluctuating according to national economic cycles and increases in ALMP and third level education participation.

For the demand side, the main top-down state agencies are Enterprise Ireland, the Industry Development Authority (IDA), and the Department of Employment and Enterprise, while the bottom-up Skillsnet scheme is developed and coordinated by the main employers' association IBEC. Through the Department of Employment and Enterprise, individual firms can solicit training grants, whereas Enterprise Ireland and the IDA provide training and development support for new enterprises, with the latter being one of the oldest in Ireland, specifically concentrating on attracting foreign investment. Skillsnet is slightly different because it enables groups of firms to set up training networks and is a public private scheme with private funds matched through the state National Training Fund. For SMEs, this scheme has been argued to be particularly useful given that it relies on local networks that are adaptable to skill demand and provide easy access to skill development resources (OECD 2014b). Skillsnet also provides some training for the unemployed through the same scheme, with programs on offer based on employer demand.

On the supply side training schemes through ALMPs are mostly provided for the unemployed, but also for some low-skilled employees in SME firms (i.e. Skills for Work), as well as employees within specific sectors who wish to upskill or change careers (i.e. Springboard). However, similar to the training schemes for the unemployed, training courses for the employed are solicited by the individual and not by the firm. ALMP schemes are the largest side of supply side training. Generally, these training schemes are financed through central taxation and the National Training Fund by the Department of Education and Skills and the Department of Social Protection with many ALMP training schemes financed and contracted through autonomous state agencies, national voluntary organizations, and local government and voluntary organizations.

While the DSP funds and coordinates some ALMP schemes directly (i.e. JobBridge Internship scheme), access to other schemes is primarily through the DSP Intreo centres

(a one-stop- shop for employment services and income supports) and (Local) Employment Service Offices. The Department of Education and Skills only provides funding for the state agency SOLAS, the Irish Further Education and Training Agency, that then coordinates the sixteen regional Education and Training Boards (ETBs). These ETBs are responsible for delivering primary, post primary and further education and training programs through public, private and non-profit organizations. Therefore, despite a highly centralized funding system, many ALMP schemes are developed autonomously and implemented at the local level by many different institutions and actors. Therefore, large variation exists in terms of ALMP implementation. While employer involvement in ALMP training programs and content has improved since the reform of Ireland's activation and training system, firms still rely heavily on private in house training and private recruiters to seek out required skill levels (OECD 2014b).

### **Irish Vocational Training**

The Irish educational system does not have strong vocational streams in upper secondary education. Instead most young people undertake a general academic route until the age of nineteen and then either take the post-secondary leaving certificate exam to enter third level education or alternatively enter the labor market directly (ICTU 2011). Though students are given the option to undertake a more practical learning certificate program, such as the Leaving Certificate Applied Program, that enables entrance into an Initial Vocational Education and Training (IVET) program, very few actually pursue this route (Barry 2007). Over 90% of students complete the leaving certificate exam (Ibid), enabling them to pursue further education through higher education institutions (Institutes of Technology, National Institutions and Colleges of Education) and third level education institutions. Because of the high completion rate for secondary level education, little distinction is made between IVET and other types of vocational training with the main distinction made according to program type. Thus, IVET and other forms of vocational training for the unemployed or ALMPs are divided into school based vocational education and training programs and courses in further education and training centers. These types of vocational training fall under the

auspice of the DSP and SOLAS, with other initial entry-level VET for various sectors provided through publicly funded state agencies and foundations. Qualifications are accredited and recognized through IVET and VET through the recently consolidated Quality and Qualifications Ireland (QQI) agency, an independent state agency with board members appointed by the Minister of Education and Skills. However, unlike Spain, board members are primarily comprised of representatives from the education sector and not employers' associations and trade unions. Thus, Ireland's IVET and VET system appears to be more fragmented when compared to the Spanish system of IVET and VET and lacks the institutionalization of the participation of social partners to ensure the link between training and skill need.

#### **Conclusions**

Spain appears to have a more unified system of education and training with historically higher levels of institutionalized spaces for social partners to negotiate and coordinate training. However, trade unions and other social partners have historically depended on heavy state intervention to set labor market conditions and legitimize their institutions. Thus, opportunities to innovate CVT and ALMP training are often undermined by social partners who are concerned with influencing the political arena and maintaining political veto powers. The production structure of Spanish economy, dominated by micro and small firms, also create difficulties for firms to integrate training into production strategies. These difficulties arise from micro and small firm's limited resources which hinder access to firm training levies given the difficulties navigating Spain's 'red tape,' as well as more generally the limited tools these firms have to provide training and the limited knowledge of long-term skill need. The weak IVET system and consequently low graduation rates from IVET programs combined with below secondary education levels among some segments of the Spanish work force also creates a lack of trust in the state to deliver quality secondary education and postsecondary training outcomes.

Within Ireland despite recent reforms to unify the Training and Education System, the Irish IVET/CVT and ALMP system appears more fragmented with institutionalized spaces

for social partners to coordinate and negotiate training largely absent. In addition, firms' ability to access funding for CVT appears largely dependent on firm and individual employee motivation, but in a context of a less bureaucratic and less regulated and centralized system of CVT funding. However, the lack of transparency of the distribution of the CVT training fund creates other challenges where firm training levies can fluctuate according to increases in unemployment and increased participation in third level and ALMP training.

While a highly structured training and education system with highly institutionalized forms of social dialogue should facilitate the development of links between firms and ALMPs within Spain, a lack of coordination and pervasive state influence may undermine this potentiality. In contrast, Ireland has had a more fragmented system of training and education, one permeated by low levels of institutionalized social dialogue and sporadic participation of social partners in training with weak links between firms and ALMPs. Despite these differing systems of training and education and levels of social dialogue, firms in Ireland and Spain both exhibit low trust in the ability of the state to deliver high quality ALMP training outcomes (i.e. place low value in ALMP training certificates). Within Spain, this low trust of the state to deliver high quality training outcomes can be extended to its secondary school education system and IVET system's low graduation rates, which creates further firm distrust in the state's ability to deliver high quality outcomes.

Lastly, both countries suffer from under resourced PES institutions which have historically been weak in their capacity to provide job monitoring services to firms. Within Spain the PES is considered to offer services for firms advertising mostly low-skill jobs with the ALMP menu historically dominated by ALMP employment incentives. In addition, the Spanish PES institutions suffer from extensive administrative burdens, thus discouraging, firms from consistent participation in ALMP training. Within Ireland, the PES has historically suffered from a lack of institutional coordination and an ALMP menu dominated by direct job creation through public employment schemes. In addition, its ALMP training programs are highly politicized and are prone to veto points, such that ALMP training programs can lack continuity and consequently discourage firms to consistently participate. As a consequence of the weak capacity of the PES in both

countries, when firms do train they generally train at the point of entry (i.e. on-the-job training/company sponsored internships) and/or through the recruitment of individuals with post-secondary qualifications at university or technical level. Both countries also divert resources towards relying more heavily on immigration to fill skills deficits, as opposed to re-skilling hard to reach groups through the PES.

In summary, the interaction of the firm with three national and regional level factors could be concluded to potentially impact how firms develop particular ALMP training and hiring strategies and ultimately quality of jobs: 1) the level of institutionalization of social dialogue, 2) the capacity of the Public Employment Service, and 3) the level of trust in state institutions to deliver high quality training outcomes. Indeed, the literature would suggest that social dialogue at the firm level through work councils and collective bargaining is particularly important for increasing firm investments in training and facilitating other types of skill development (Streeck 1992). The susceptibility of PES institutions to political veto points may also contribute to the stalled or reversed implementation of ALMPs (Murphy 2012), with excessive administrative burdens and poor ALMP coordination further weakening the trust firms have in the PES institutional capacity. Risk associated with the recruitment of disadvantaged groups (i.e. long-term unemployed, lower education levels, disability, etc.) has also been linked with employer recruitment through ALMPs, with mixed results as to its importance for firm recruitment strategies (Ingold and Valizade 2016; Quinto Romani and Albrekt Larsen 2010). Therefore, the following section aims to examine the interface between firms and the macro and meso institutions of Ireland and Spain's education and training systems to assess the extent to which these factors play a role in influencing how and why firms recruit and train through ALMPs.

# Chapter 5: Spanish and Irish ICT Firms and ALMP Engagement

The Irish and Spanish ICT sectoral structures and activities are diverse and vary greatly. Within Ireland ICT firms are generally concentrated and clustered within and around its three largest cities, Dublin, Galway and Cork. Ireland's ICT sector has historically been known for its direct financial incentives, most notably its low corporate tax structure, to attract large MNC firms, including Apple which is based in Cork, Intel in Leixlip, and Google in Dublin. While an initial divide existed between the activities of Irish indigenous firms (software) and MNCs (hardware), this is no longer the case with new investments being made in software by many MNCs. The structure of the Irish ICT activities can be divided into three groups: hardware, software and internet.

Within Spain, the majority of ICT firms are concentrated within the Autonomous Communities of Madrid and Catalonia. Catalonia receives 36% of all FDI in Spain and 90% is concentrated in the Barcelona area (Barcelona City Council 2012). Spain is not able to offer the same structure of financial incentives, such as a low corporate tax structure, but it does offer reduced corporate tax rates for small firms. Despite this, half of all ICT employees continue to be employed in firms with over 250 employees, many which are MNCs (van Klaveren et al. 2013). The ICT activities within Spain are slightly varied when compared to Ireland, with most activities concentrated in IT services, software and telecommunications.

Within Ireland and Spain, a total of five ICT company case studies were conducted. These firms were chosen because they all participated in the ALMP internship program and subsequently hired young workers. The cases studies included Spanish and Irish small firms (12 and 10 employees), one urban and one rural, medium Spanish and Irish firms (120 and 200 employees) and one large Spanish firm (800 employees). The medium and large firms were based in Dublin and Barcelona city or the suburbs. To protect anonymity, these firms have all been given pseudonyms. For Spain, these are

the SPS (Spanish small) firm, SPM (Spanish medium) firm, and SPL (Spanish large) firm. For Ireland, these are the IRS (Irish small) firm and the IRM (Irish medium) firm.

The SPS firm was based in a rural small town in the Autonomous Community of Catalonia Spain and specialized in software development and IT support services for travel agencies, whereas the IRS firm was based within Dublin city and specialized in web design and property cloud systems for the real estate industry. Both firms were hard hit following the economic crisis, given the direct impact of the crisis on the tourism and the housing sectors. This was particularly the case for the IRS firm, where the property bubble resulted in a very difficult economic situation for the firm, with it only employing two employees at one point. In contrast, while the SPS firm did struggle, it was not forced to make any of its employees redundant or reduce wages. The firm also undertook the crisis to reinforce its relationship with clients by developing new services and products, thus using it as a period of innovation.

The SPL firm is specialized in software and IT consulting for the finance sector, more specifically retail and investment banking, private asset management and the insurance industry and is based in a suburb of Barcelona. This firm is different from the others in that it is a subsidiary MNC, with the mother company based in Germany and a total of 4,870 employees worldwide in 11 countries, half of those based in Spain. While the SPL firm expanded rapidly throughout the economic crisis, it did cut some labor costs to facilitate this expansion, particularly in the non-technical departments, through the use of flexible contracts for young, new entrants.

The SPM firm specialized in online journalism and advertisement through social media platforms and is based in Barcelona city. Given its reliance on a large share of its revenue from advertisements to support its online journalism websites and the decrease in advertisement campaigns during the crisis, the SPM firm was also forced to reduce its labor costs through involuntary redundancies. The last firm, the IRM firm, was based in Dublin city and specialized in software for the airline and hospitality sectors. This firm, similar to the SPM firm, is a subsidiary of an American MNC firm that operates in 180 countries and has 3, 700 employees. It was originally an independently owned company and thus continues to use the same brand name and maintain its small

London office, as well as has 100 off-shore based third party contractors. Similar to the SPL firm, the IRM firm continued to rapidly expand throughout the crisis and asserted this was primarily due to its export orientation and customer base, who continued to innovate through mobile software products so as to increase revenue. Thus, the IRM firm did not use redundancies as a strategy to cut costs during the crisis.

Common to all of these ICT firms was the decision to participate in an ALMP internship scheme to recruit young labor market entrants. This is despite the three factors presented in Chapter 4 that could potentially hinder and discourage firm participation in ALMP internships. In the following section, these three factors will be examined for their variation between national and regional level institutional arrangements and the influence they have on how the Spanish and Irish ICT firms engaged with ALMP internships.

## **Levels of Institutionalized Social Dialogue**

Within Chapter 4, Spain was argued to have high levels of institutionalized spaces for social partners to negotiate and coordinate training, whereas Ireland was argued to have low levels. Spain's social partners' dependency on heavy state intervention to set labor market conditions and legitimate their institutions has meant social partners are often concerned with influencing the political arena and maintaining political veto powers as opposed to innovating CVT and ALMP training. Within Ireland a more fragmented system of training and education is permeated by low levels of institutionalized social dialogue and sporadic participation of social partners in training. However, neither national system appears to facilitate strong ties between firms and ALMPs. Therefore, how different levels of the institutionalization of social dialogue play out at the firm level is of interest, particularly within firms that *do* decide to diverge and participate in ALMPs.

Within Spain, the direct impact of social dialogue at the firm level in terms of training is generally through the collective bargaining system. Any issues of training would generally be negotiated and enforced through collective agreements and discussed

through firm level work councils with the Spanish Workers' Statute (Ministerio de Empleo y Seguridad Social. 2015b) establishing the legislation for minimum working conditions, including minimal training rights. Under the Spanish Workers' Statute (Estatuto de los Trabajadores 2015) (Ibid) training is regulated in terms of Promotion and Professional training in Work, and gives permission for workers to have flexible work schedules for accredited academic and professional training and examinations, as well as provides for firms to fund training when firms upgrade the responsibilities and tasks of an occupation. In addition, all firms must provide 20 hours annual paid leave for continuous professional training for their employees linked to the occupation tasks provided for through a training plan developed by the firm or through collective bargaining.<sup>15</sup> All of these minimal rights to training are explicitly stated by the Workers' Statute to be provided for through collective bargaining and/or a firm level training plan, thus illustrating the extent to which the Spanish state encourages the institutionalization of training through collective bargaining. While trade union density is low, collective agreements are automatically extended to workers within the scope of the agreement regardless of whether or not they are affiliated to the unions that concluded the bargaining with sectoral collective agreements at the national, regional or district level. However, sectoral collective agreements are often 'mute' on CVT training (Ibsen and Mailand 2010) and reproduce the individual rights of the ET minimal legal framework, such as training leave and the adaptation of working time to attend training courses.

Within the ICT sector, one national level ICT sectoral agreement regulates working conditions. However, despite that all firms within the Spanish case study fall within the ICT sector, only one of the firms within the Spanish case study was part of the ICT collective agreement, the SPL firm. The other two firms, the SPS and SPM, adhered to other collective agreements, respectively a district retail collective agreement and a non-daily press collective agreement. The reasons for this are mainly due to technological changes in the firms that resulted in gradual changes in technology and products. The SPS firm considered shifting to the ICT collective agreement but found the retail collective agreement to offer more favorable conditions in terms of paid leave

 $<sup>^{15}</sup>$  This training credit is a new addition, part of the 2012 Spanish Labor Market reforms.

for employers and employees, whereas the shift to another collective agreement was still being discussed in the SPM firm. However, legislation dictates that the ICT employer's association AMETIC (*Asociación de Empresas de Electronica, Tecnologías de la Información, Telecomunicaciones y Contenidos Digitales*) which largely represents the interest of ICT MNCs, only has to negotiate with the CCOO trade union, thus excluding the other largest trade union, UGT, as well as the interests of smaller trade unions and employers associations. Consequently, the ICT collective agreement lacks proximity to information on firm and employee needs at lower levels, particularly small firms. Therefore, the adherence of SPL to this collective agreement would on the surface to more closely adhere to its needs as a large MNC firm.

Since 2009, the Spanish ICT sectoral collective agreement has been frozen with the collective agreement being extended and negotiations for a new agreement ongoing. However, it continues to remain in 'ultra-activity' or valid until a new collective agreement is signed. <sup>16</sup> Within the ICT sectoral collective agreement very little reference is made to address training, with clauses reproducing the existing training required by the ET (Estatuto de los Trabajadores) for work councils (work committees or delegates), providing for an additional annual training fund of € 218.10 for workers to access CVT and integrating individuals on an internship contract into annual pay bonus scales or the *Plus Convenio*.

The district Retail Collective agreement of the SPS firm addresses minimal health and safety requirements established by law. It also limits the internship and training contract duration and raises the required intern and training wages. The SPM firm Nondaily Press collective agreement improves internship minimum wages, while also asserts that all employees are entitled to take 'new technology' courses for up to 6 months during work hours or through paid leave. Interestingly, the Non-daily Press collective agreement extends protections to student interns, training agreements established between universities and firms that fall outside the legal realm of an employment

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<sup>&</sup>lt;sup>16</sup> While the 2012 labor market established that the 'ultra-activity' of a collective agreement could not be enforced one year from the time of expiration, the Supreme Court ratified a court decision in the Baleares Islands 264/214 on December 22, where the USO, Workers Trade Union, won a case against the company 'Antención y Servicios, S.L'.(ATESE) for the decision to decrease worker's wages once the collective bargaining agreement had expired. Thus, the Supreme Court's ratification of this decision has since reinstated the right of ultra-activity in collective bargaining.

relationship. It limits the number of interns (up to 10% of the workforce), the duration (maximum of 5 months) and requires firms to pay an accommodation, food and transportation subsidy to cover student intern's minimum living costs. Therefore while social partners negotiating the SPS district retail and the SPM non-daily Press collective agreement have improved working conditions surrounding some training contracts/agreements, eligibility for these contract types is limited by age (less than 25 and less than 30), education levels (vocational/university, professional sports/arts training certificate or a professional certificate) and duration (up to 3 years). Thus, these training contracts/agreements provide opportunities for firms to hire and train young workers at subsidized rates at the point of entry as opposed to train existing employees. However, despite the inclusion of some initial training contracts/agreements at the point of entry in collective agreements, ALMP training was not included in any of the firm collective agreements. Furthermore, sparse reference was made to CVT training in all collective agreements, beyond annual training funds and training leave. Therefore, collective agreement clauses for training in ICT firms scan still be considered sparse for the firms within this case study, with little articulation by social partners to more clearly define training or facilitate more innovative training strategies in firms.

Another area of direct participation of social partners on training in firms is through work councils (*comités de empresa*) who by law are obligated to be consulted for firm training plans. However, the existence and actual power of employee representative delegates (fewer than 50 employees) and work council committee members (greater than 50 employees) within firms is highly dependent on firm size. Those firms with ten or less employees are not legally obliged<sup>17</sup> to have an employee representative delegate and consequently most negotiation in terms of training is done on an individual basis. When firms have more than ten employees (or six in case of voluntary elections) the number of delegates and committee members that can be elected gradually increases (i.e. 10-30=1, 31-49=3, 50-100=5, 101-250=9, 251-500 = 13, etc.).

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 $<sup>^{17}</sup>$  Firms with between 6-10 employees can elect to have one delegate if the majority of employees agree.

Because trade unions receive particular economic resources and privileged access to statutory involvement in particular institutions (i.e. training, social security) according to their 'representativeness' in work council elections, trade unions tend to focus their energy on proposing elected delegates in larger companies. Therefore, work council elections are a battle for legitimacy and survival with other trade unions. For trade unions to be 'most representative' they must cover a minimum of 10% of workers delegates and working committee members nationally or 15% at the regional level. 'Representative' trade unions in a specific sector are those that cover a minimum of 10% of workers delegates and working committee members of the sector at the national level or 15% of workers delegates and working committee members in the sector at the regional level (Eurofound 2015). In practice this means smaller company employee delegates' views are underrepresented and they often adopt the agreements negotiated by representatives from larger companies. This weak position of work council delegates in smaller firms also means that efforts to divert firm training plans from specific and short-term firms needs are limited (Rigby 2006). Even within the large firms, which would have more veto points due to the high participation of trade union members as work council working committee members, trade union members remain weak in their ability to articulate training needs.

In the case studies, the SPS and SPM firms were particularly disadvantaged because despite legal requirements to have delegates or working committees, neither firm had a workers' committee or delegates. The reasons for this are because elections must be instigated by the employees or directly by the trade union. Given that trade union member tend to be most interested in instigating working committees in larger firms; employees themselves are responsible for taking initiative. Indeed, in the SPM firm, the Finance/HR director argued that while legally the firm must have work committee representatives, the workers themselves still had yet to organize one.

We hope that they form one [a workers committee] sometime in 2017 because they have to form one, but at any rate this is something that has to be organized by the employees and it has not been formed yet. We hope they organize one soon, but up until now they haven't.

Finance/HR Director, SPM firm, 2016

Therefore, the possibility for social partners to negotiate training issues at the firm level was completely absent in the SPM and SPS Spanish firms. This observation of the lack of worker delegates and working committees was further supported by interviews with a trade union representative who argued that while individuals in smaller companies may nominate themselves for elections to a work council, they must do this openly and may risk being made redundant. The trade union representative emphasized that while being fired due to participating in work council elections is illegal, the legal process is often delayed for up to a year, during which time the individual may remain unemployed and may lack access to adequate unemployment insurance (Trade Union Representative 2, Youth Division CCOO, 2016). Another trade union representative (Trade Union Representative 1, Service Federation CCOO, 2016) also argued that even when the union does approach a small firm for nominations for delegate elections, the informal relationships among employees in such a firm means that employees do not value union representation. They prefer to resolve conflict through other informal means with the net result that many firms will lack delegate representatives. Therefore, for many employees in smaller firms, no incentive exists to present themselves as delegates for work council elections. This is compounded by the reality that trade unions have more power resources to gain in large firms and consequently have little interest in instigating elections in medium and small firms.

Indeed, the SPL firm had a work council with committee members represented by the largest trade unions, UGT and CCOO, with elections every four years. However, despite this well-established work council, (ALMP) training was not articulated through the workers committee. The SPL firm maintained that the workers committee mainly existed to inform employees of vacations, to convince the firm to agree to the negotiation of the new ICT collective agreement and to organize charity activities. Consequently, training with the SPL firm was based on a firm training structure and plan developed and customized at the individual level.

With the absence of strong support by social partners for training through collective agreements and firm level work committees/delegates and given the constant demand

for high-skilled technical workers and upskilling in the ICT sector, the Spanish ICT firms in this case study developed their own, firm level training strategies to address production needs. Thus, the collective bargaining institutions do not appear to provide a mechanism for consistent relational engagement to improve training within the ICT firm case studies.

Within Ireland, work councils are not part of the structure of the industrial relation's (IR) system and trade union density is very low in the ICT sector, a sector dominated by MNCs that tends to not favor collective bargaining. Thus, not surprisingly training was not something that could be incorporated through collective bargaining institutions within the IRM or the IRS firms, given that neither firm was unionized nor had any desire to become unionized. Indeed, the lack of interest in a trade union presence was readily confirmed, not just by the medium Irish firm but also by the small Irish firm.

Collective agreements, I mean it's actually irrelevant because it is very much dependent on hand-to-mouth style that we are in, in terms of trying to as I call it road kill. Trying to make big sales, and produce, budget and make a profit then at the end of it. And sometimes it works and sometimes it doesn't, in regards to you lose on some projects and you gain on other projects. So having a collective agreement where they get what they get irrespective... you know if we were increasing our profits 10% every year well then we would have discussion of increases that would be very simple you know, but we're not so... those kinds of discussions are based around when there is money in the bank and when there is something more to shed. And you know this is not the case at the moment.

Managing Director, IRS firm, 2016

While Ireland's social partners were institutionalized through the apprenticeship program and FÁS traineeships, neither of these options provided training content closely linked to the ICT sector. Furthermore, no evidence was found within the IRM and IRS firms for any direct influence of social partners through more voluntary institutional structures such as the Irish Labor Market Council, the Expert Group on Future Skills Needs (EGFSN) and the National Skills Council on firm training strategies, thus illustrating the lack of clear implementation mechanisms for these skills strategies to impact firm level training decisions. Therefore, the lack of well-established collective bargaining institutions to upgrade firm training within the Irish ICT sector meant that

the presence and integration of training is heavily dependent on the individual employers within Ireland. Indeed, within the IRM and IRS firms, training varied greatly and was primarily developed according to available resources, production needs and market conditions of the firms. Variation in training type, including the use of ALMPs, among the IRM and IRS firms was also common and particularly dependent on specific firm level HR practices and organizational practices.

In conclusion, despite the presence of collective bargaining institutions within Spain and the lack of collective bargaining institutions within Ireland, institutionalized spaces for improving training content and strategies for firms appears to be lacking among all of the Irish and Spanish ICT firm case studies. In Ireland, this is clearly related to the lack of hard regulatory collective bargaining institutions and dependency on more voluntary systems of social partner engagement through advisory boards and groups which lack clear implementation mechanisms to influence firm level training. In contrast, Spain clearly has the hard regulatory features of collective bargaining institutions to facilitate social dialogue that could potentially improve training among Spanish ICT firms. However, as argued through the three ICT case studies, Spanish sectoral agreements remain highly fragmented within the ICT sector and can suffer from upper level centralized social partner negotiations primarily by large firms, thus lacking proximity to smaller firm training issues. The national level ICT collective agreement also has remained frozen since 2009 and consequently any efforts to improve training remain stalled as social partners continue to attempt to negotiate a new collective agreement. All of the Spanish ICT firm collective agreements also appear to lack specific clauses to address training content and strategies, with only minimal improvements on existing training legislation.

Finally, firm level work council committees/delegates do not exist in the smaller SPS and SPM firms, thus reflecting the complexity of the Spanish collective bargaining system which actually is a disincentive to firms and social partners from taking advantage of these institutions in small and medium firms. Even when work council committees are present in large firms, such as the SPL, the actual role of the work council committee is restricted to more administrative issues such as ensuring that individuals take vacation or convincing firms to actively support the national level ICT sectoral agreement

negotiations, as opposed to addressing training issues. Thus, institutionalized spaces for social dialogue appear to have a minimal effect on firm level training decisions both within Ireland and Spain.

## The Capacity of the Public Employment Service

Spain and Ireland's PES institutions were argued to be under resourced and weak in their capacity to deliver job monitoring services to firms. Within Spain, the ICT firms were argued to perceive the PES as providing mostly low-skill jobs with the ALMP menu historically dominated by ALMP employment incentives. Extensive administrative burdens also were asserted to discourage firm participation in ALMP training. Within Ireland, the PES has historically suffered from a lack of institutional coordination and an ALMP menu dominated by direct job creation through public employment schemes. In addition, its ALMP training programs are highly politicized and are prone to veto points, such that ALMP training programs can lack continuity and consequently discourage firms to consistently participate. All of these factors were argued to result in low confidence in the role and function of the PES institutions in Ireland and Spain. However, in spite of these challenges some firms such as in this case study chose to navigate the PES institutions and participate in ALMP training. Therefore, how these firms navigated these ALMP training programs in spite of the weak capacity of the PES is an interesting paradox.

Within Spain, all three ICT firms used the ALMP internship program, non-labor Internships, as hiring strategies to mitigate costs associated with hiring and firing, prolong the probation period and ultimately for purposes of expansion. For all of the Spanish ICT firms it was their first time using the PES to coordinate ALMP training and none of the firms were approached or informed by the PES of the existence of this ALMP internship program. Indeed, the SPS firm discovered the ALMP internship scheme due to a motivated managing director who was seeking alternative and innovative hiring and training options, whereas the SPM and SPL firms discovered the program through personal contacts within other firms that used the program. All firms acknowledged the extensive information deficits surrounding the ALMP internship

program. However, while the SPM and SPL firms were able to inform and manage the ALMP internship program through external and internal HRM resources, the lack of a formal HRM department in the SPS firm meant that bureaucracy and information deficits had to be resolved by the managing director and directly with the PES, without resources to access any intermediary resources. Furthermore, the centralized PES (in Barcelona) did not accommodate the needs of the rural geographical location of the SPS firm, thus requiring its Managing Director to frequently travel to Barcelona to leave papers and attend meetings.

I mean, I did not handle this [ALMP internship program] through my manager. I dealt with it independently, that is, I went to look for it. Of course you have to prepare everything that you are going to teach since a person is not coming just to work. You have to prepare the tutoring. You have to prepare all of the subject areas that you are going to impart during it. Of course this is additional work and you could see they [the PES] did not know very well how everything worked. If there was a subsidy expected, we didn't know if it was going to arrive or not. To receive the subsidy there was also a lot of administrative bureaucracy; we had to present a lot of things. This works in a company that can take the time to commit to complete the process. The program is very good but it is not easy.... it is not easy. When you've done it once it is possible, but the process is not clear. I went to Barcelona and had to leave some documents. Then I had to return to Barcelona because there is no office here to validate the paperwork. I had to travel to the Barcelona SOC. The meetings were in the Barcelona SOC because there was no one here, so it was not easy. Now that I have done it once I understand the process very clearly, how to do it and it is more feasible.

Managing Director, SPS firm, 2016

The weak capacity of the Spanish PES and the implementation deficits and resource costs (i.e. time, financial, and personnel) associated with the ALMP internship program resulted in the SPS firm's decision to only use the ALMP internship program once and hire future young interns through less resource intensive university internships and internship contracts. In comparison, the SPM and SPL firms were not hindered by the bureaucracy surrounding the ALMP internship program due to their combined extra firm resources as well as their close geographical proximity to the Barcelona PES. This lack of administration and geographic barriers partially explains why the SPM and SPL firms continued to use the scheme for recruitment and training. Indeed, while the

Finance/HR Director of the SPM firm asserted the bureaucracy made the ALMP internship program 'a little slow,' the HR specialists of the SPL firm asserted it made no difference to them the type of internship a young person was hired onto (i.e. a student internship or an ALMP internship) because, 'the financial costs, hours and working conditions are the same.' Thus, geographical location and firm resources, specifically the lack of human and financial resources in small firms, are key factors in a firm's ability to negotiate ALMPs within the context of a weak PES institution. The Catalan PES acknowledged that they were aware of information asymmetries surrounding the ALMP internship program and the additional bureaucratic difficulties that small firms had to manage.

We do not know how firms are informed [of the ALMP internship scheme]. What we do know is that we have agreements with some firms and we let all of them know. 'Hey, we have a new scheme with a commitment to hire after with, so come and participate.' We have even offered to help firms with the paperwork to participate. One thing is that there is lots of paperwork to request the employment incentive [for ALMP internship program with the commitment to hire]. The problem with many small businesses is that when you tell them all about the paperwork they must do...they don't seem to realize how much is involved.

Government Official, SOC, 2015

While the Catalan PES attempted to remedy some of the struggles small firms have by assisting them to manage 'the red tape,' the rural location of the SPS firm resulted in an additional meeting at the central Barcelona office. This had the unintended consequence of creating additional administrative burdens.

Similar to Spain, all of the Irish ICT firms also used the ALMP internship program, the JobBridge National Internship scheme, as a low-risk recruitment strategy during a time period of firm expansion as well as to prolong the probation period. None of the firms had participated in any ALMP type through the Irish PES previously, thus confirming the historic lack of engagement of firms with the PES. However, unlike previous ALMP training programs which often were uncoordinated and suffered from institutional overlap, the JobBridge National Internship scheme was centrally coordinated through

the Dublin PES, the DSP, and relatively clear information channels were used to disperse the ALMP internship scheme information to firms.

Unlike Spain, the ALMP internship program was designed to be 'simplified' and 'underregulated' as much as possible to eliminate any potential administrative burdens that would discourage firm participation (Government Official 3, DSP, 2016). While administrative burdens were not completely eliminated and some delays were apparent in the starting dates for ALMP trainee participants in both the IRS and IRM firms, neither the IRS nor IRM firms perceived the administrative process to be cumbersome. Indeed, this adheres to the most recent evaluation of the Irish ALMP internship program, where over 88.9% of firms surveyed were (very) satisfied with the quality of scheme information and 88.2% were (very) satisfied with the overall administration of the scheme used by the DSP or Irish PES (Indecon 2016). It is also relevant to note that this occurred in a context where 67.8% of the participants were in relatively small host firms with between 0-49 employees. Therefore, unlike Spain, firm size and resources were not as important factors in the ability of firms to access the ALMP internship program information and navigate the bureaucracy. However, firm size and available resources do matter for a firm's willingness to invest in particular training types, with smaller firms less likely to invest in external and internal formal training activities unless a recoup on investments is likely (O'Connell and Byrne 2010). Indeed, resource constraints surrounding training were one of the reasons the IRS firm decided to consistently participate in the ALMP internship program, whereas the IRM firm did not face such resource constraints and engaged on a one time basis due to a personal contact within the firm.

Given that the Irish ALMP internship program fully subsidized participants by providing for social welfare payments and top-ups, the SPS firm could easily recoup training costs. Indeed, in the highly competitive and skilled ICT sector, the IRS firm was acutely aware of its difficulties to attract more experienced workers given its limitations to pay higher rates to its employees. Thus, the ALMP internship program enabled the IRS firm to train at a slower pace without the pressures of firm financial costs associated with hiring and training. Ultimately, it also provided the IRS firm with an alternative training and hiring strategy, one which was adopted as its primary recruitment strategy.

... when I go to hire I try to do it through JobBridge because it gives me opportunity to actually see what they are like before they actually come on. If I want to expand or actually see if there is a kind of a... like if it was the case where we were making loads of money and could hire somebody and make more money you'd hire someone without JobBridge because then you would be able to select someone with the experience to be able to do the job...I haven't hired anyone direct in years.

Managing Director, IRS firm, 2016

Given the IRS firm's limited resources for training combined with its difficulty to attract skilled workers and the ease of access and limited bureaucracy surrounding the Irish ALMP internship program, the SPS firm perceived the Irish ALMP internship program as a feasible training and recruitment strategy for the future.

However, similar to past ALMP training programs, the JobBridge ALMP internship scheme was equally prone to changing economic and political climates, and was highly susceptible to veto points. The ALMP internship scheme was new, developed in 2011 in the midst of the economic crisis by Joan Burton who was then leader of the Labor Party. The scheme was highly controversial due to its potential for displacement and substitution effects. Thus, when the Labor party lost seats in the general 2016 elections, the JobBridge ALMP internship scheme was discontinued.

When the new Minister came in, he had this idea of JobBridge...it's always in the press, on Prime Time, on Joe Duffy and always under pressure in the Dáil. He decided we have to stop it and we have to do something to make a new scheme and make it better and he took that decision. That's fine. When he went around and met our case officers, he went around and said I think I made a mistake because what our case officers told him was in terms of getting people into work and dealing with employers, it was the best thing they had.

Government Official 2, DSP, 2017

Thus, while it appears that the reforms surrounding the restructuration of the Irish PES institutions have improved its capacity to coordinate and obtain some level of firm commitment, particularly among small firms, the PES continues to remain weak in its ability to guarantee the continuation of its ALMP training programs for firms. This

uncertainty can discourage the formation of strong PES-firm alliances and any long-term commitment for firms to engage in ALMP training.

In summary, while historically the Irish PES institutions have been weak in their capacity to coordinate ALMPs, it appears that the (re-)centralization and the centrally driven overhaul of the ALMP institutional structure has improved coordination and issues of information asymmetries for this Irish ALMP internship program. In addition, it has encouraged new employer engagement strategies through this relatively 'simplified' ALMP internship model. While public policy and ALMPs in Europe were moving towards decentralization over the last decades, this idea that smaller units are more adaptable to local program circumstances to provide better services (Mosley 2009), did not foresee that localized services were prone to fragmentation and poor coordination (van Berkel and Borghi 2008; Bergmark and Minas 2010). Recent research suggests that European countries have gradually shifted towards more re-centralized activation and social assistance schemes, towards a work first or workfare activation approach, one connected with stricter central controls and more direct monitoring of social assistance recipients (Pérez del Prado 2013; Minas et al. 2012). Thus, Ireland appears to sit within a wider trend among European countries, which is moving social assistance recipients closer to the labor market, consequently demanding clearer PES-employer links. For the Irish IRS firm the link of ALMP internships to employment incentives was found to be particularly beneficial for small firms who could easily recoup training investments. However, the Irish PES institution continues to remain weak in its ability to guarantee ALMP training program continuity to firms, given the continued high susceptibility to changing political climates. Consequently, this does not encourage long-term firm commitment.

Within Spain, few improvements were found in the capacity of the Spanish ALMP PES institutions to improve administrative burdens for the Spanish ALMP internship. Unlike Ireland, information asymmetries and more general administrative burdens were found for all ICT firms. Significant HRM resources continue to be needed to access ALMP internship information and manage ALMP internship programs which cause significant administrative burdens and discourage the long-term commitment of small firms, particularly ones in rural geographical locations. While the PES did attempt to provide

additional 'HR like' services to small firms to coordinate the ALMP internship program, its centralized administration meant that this service created an additional administrative burden for the SPS firm. Therefore, the weak capacity of the PES in Spain to deliver the ALMP internship program within firms is directly related to administrative burdens. Within Ireland, issues remain regarding the politicization of the ALMP internship program and its susceptibility to veto points which discourages systematic firm participation and engagement.

## **Trust in State Educational and ALMP Program Outcomes**

The third factor at the national institutional level that can be concluded to potentially impact firm level ALMP training and hiring strategies is related to the trust firms have in educational and ALMP program outcomes. Within Ireland and Spain, firms were argued to lack trust in the ability of the state to deliver high quality ALMP training outcomes. Within Spain this low trust in the state to deliver high quality education and ALMP training outcomes was reflected in the high percentage of the population with only secondary school education qualifications and the firm perception that ALMPs attracted individuals with lower education levels. The low graduation rates in Spain's IVET system further deterred firm confidence in the ability of the IVET system to produce high skilled graduates. This lack of trust and negative perception surrounding ALMP training programs and IVET qualifications (in the cases of Spain) was in stark opposition to the rapid expansion of university education in Ireland and Spain and the high trust the firms had in university qualifications.

The ICT sector within Ireland and Spain is generally considered a high skilled sector, one that is continuously evolving and expanding due to constant advances in technology. Consequently, firm survival depends on the continuous training among employees, as well as a steady supply of skilled worker for recruitment. All of the ICT firms within the Irish and Spanish case studies preferred to recruit high skilled individuals with technical or university qualifications, with only one individual recruited by the IRM firm through the ALMP internship program lacking a technical or university qualification. The prevalence of industry-academia collaborative internship agreements to attract

technical or university graduates within all of the ICT firms further reflects the confidence firms had in university level qualifications. However, variation existed in how the ICT firms integrated the ALMP internships into their production strategies and organization of labor.

Issues of high turn-over and poaching were restricted to the two large MNC subsidiaries, the IRM and SPL, with firm resources not only diverted towards training but also towards retention strategies. Within both firms, retention issues were dealt with on an individual basis with training, shifts in projects and technology, and wage increases the main strategies the IRM and SPL used to retain employees. To further attract high-skilled ICT employees, the IRM and SPL firms also recruited internationally. In comparison, the IRS, SPS and SPM firms were not exposed to these same pressures, with very low-turn over and more informal recruitment strategies relying on the domestic labor market. In addition, none of these firms recruited internationally.

Specific to the Spanish ALMP internships program was that the firms received candidates proposed by the PES, but they equally had the option to propose their own candidates. In comparison, the Irish ALMP internship program facilitated firms to directly recruit candidates through its PES ALMP internship website. A central argument in the previous chapter was that Spanish firms have low trust in the quality of jobseekers registered with the PES, with the perception that many have secondary or below secondary qualification levels. Indeed, the main Catalan employers association asserted that Spanish firms do not trust the PES supply of candidates given that the individuals who register with the PES tend to lack post-secondary qualifications, whereas individuals with technical or university tend to conduct their job search through personal contacts or other channels of recruitment (i.e. info jobs, recruitment agencies, firm websites, etc.) (Employer Federation Representative 1, Foment del Treball-Patronal Catalana, 2015). Evidence for this distrust in the supply of PES candidates was found within all of the Spanish ICT firms, with firms perceiving their own supply of candidates as more trustworthy and selecting their own ALMP participants from existing recruitment channels.

He was here doing an internship through the Technical Institute. At the time I asked SOC [the PES] about a way of hiring him and they proposed this [non-labor

internship] and of course SOC sent me one more candidate but I already had him here and we took advantage of the opportunity to continue with this type of non-labor internship, but yes SOC sends you some other profiles to look at but ... look at the company level, if I have you from the beginning, it is easier, right?

SPS firm Managing Director, 2016

Thus, for the SPS firm hiring someone through the PES was perceived as riskier than continuing with the firm selected candidate. However, while this distrust in the PES selection of candidates was evident in all firms, variation was found in terms of the types of occupations firms selected for ALMP internships, with the SPL firm preferring to recruit for non-technical mid-level occupations and the SPS and SPM using the ALMP internships to recruit for all occupations.

The SPL firm only valued the ALMP internship, in spite of having the ability to select its own candidates, for recruitment into non-technical mid-level occupations (i.e. HR, Administration, etc.). Within the SPL firm, the occupational divisions were clearly defined through occupational families. ALMP internships were readily recruited from one occupational family that primarily dealt with support services, including HR and administration occupations. In contrast, the occupations with IT specific skills were not recruited through ALMP internships or any other type of flexible (training) contract. However, this is explained less by the trust in educational and ALMP internship outcomes and more by structural features of the labor market, including the supply of high skilled technical IT workers and the exposure to international competition which consequently resulted in high turnover of IT employees in the SPL firm. Thus, the Spanish ICT firm could not afford to use any type of (ALMP) internship for this group of workers for fear of losing IT candidates to other large MNC firms with better employment offers.

In the IT sector, the majority of the profiles that finish their degree have prior to finishing their degree already been placed [in firms]. It is a market that moves a lot. There is a lot of demand and this is what it does. In our case, we directly contract them with a permanent contract because if we offer them a contract or agreement through SOC [Public Employment Service] or the university, 5 more companies will offer them a permanent contract.

HR Director, SPL firm, 2016

In comparison, the SPM firm did not face the same levels of competition and high turnover due to its focus on the domestic market and more generally its focus on the communication sector using technology as a medium to diffuse it. Consequently, the SPM firm did not find the supply of candidates in the open market to be lacking and the ALMP internship was an opportunity to test candidates for more soft skills, such as working strategies and ability to adapt to the firm culture. Similarly, the SPS firm did not face international competition and high turnover. However, it did face difficulties recruiting skilled workers given its rural geographical location and its limited resources as a small firm. As a small firm the SPS firm also placed more value on a broad and less technically specific skill set, someone with not only technical skills, but also knowledge related to the tourism industry.

It is complicated because maybe they have the knowledge but later they lack...maybe they have part of the skills or maybe they don't have any [work] experience. It is very specific. You have to understand how a travel agency works to be able to explain administrative software. It implies knowing the taxation system and how it works and being able to explain it [to the customer]...when ones studies tourism, they teach you about the sector, the responsibilities and fees, but you do not enter into the administrative tasks.

Managing Director, SPS firm, 2016

As mentioned previously, within Ireland, the PES did not provide candidates from its database of the jobseekers but rather unemployed jobseekers could directly apply to the ALMP internship offers on a PES JobBridge website that closely mirrored that of a normal recruitment website. Similar to the SPS firm, the IRS firm managing director asserted that while technical skills are important, other broader skills were valued such as problem solving, personality and fitting in the team when considering hiring decisions. While the individuals hired through the ALMP internship in the IRS firm all had university qualifications, some had university qualifications and work experience unrelated to the ALMP internship offers.

When they lacked technical skills; that's ok. But you know if they have the aptitude to learn quickly and figure stuff out. That's how we make up for it. You know not having the experience but then not having the aptitude for it is probably something that's as bad because then you, you kind of, they're in their honeymoon period, scraping by, but then they don't perform later on. Other times it was people were they didn't fit in terms of just low-esteem, one in particular. I thought you know he was disruptive and was talking all the time and created a problem within the team because it was a distraction so you know there is different personalities, different aptitudes, some people aptitudes worked out and it wouldn't be the same if it was an employee or not so it doesn't really matter whether it is an intern or they are full-time. They either fit in the team or they don't fit in the team.

Managing Director, IRS firm, 2016

While the IRS firm adopted the ALMP scheme as one of its main hiring strategies for individuals with university qualifications, it valued a broader skill set when recruiting through ALMP internships, one that extended beyond the technical skills required for the occupation.

The IRM firm found the ALMP internship candidates to lack suitable technical skill levels and the right mix of skills (i.e. language skills) for its skill needs as a competitive MNC subsidiary dependent on the international market. Consequently, the IRM firm only utilized and recruited through the ALMP internship scheme once and this was for a lower-level administration role.

So we only ever had one person and largely it was because that person's brother urged us to take them and that they would support them through so it was in the IT support area so it wasn't as technical as probably some of the coding stuff we do so it was probably more general IT support, you know for the office support as such so the experience I suppose was a bit different. For that person right through for the two years and they support them through. Umm, would we do it again? I am not quite sure without quite having that level of commitment. We find that we would certainly see a big difference in the internships coming through JobBridge versus the other internships through the third level colleges. We would be more veering towards... we take three to four interns every year but we take them from the third level colleges.

HR Director, IRM firm, 2016

Thus, the IRM firm preferred to utilize its collaborative academia-industry internship programs within the universities and technical institutes for individuals with computer science oriented degrees, as opposed to through ALMP internship programs. Indeed, training with university interns varied greatly from the ALMP intern, with university interns fully integrated into a project led by a team of software developers and given collaborative tasks. In contrast, the ALMP intern was largely socially excluded from a collaborative learning process, with training primarily consisting of job shadowing guided by a mentor and outside a team based environment. This suggests stronger linkages with universities and trust in the quality of the candidates, as well as a negative perception of the ALMP scheme as one oriented towards individuals with lower skill sets. Indeed, though Ireland still lags behind the rest of the EU in terms of R & D, since 2012 growing collaboration has existed between firms and academia with firms increasingly signing contracts to fund industry specific R&D (Science Foundation Ireland 2016). Thus, firm- academic collaboration provides a more trustworthy alternative, one that involves higher qualification levels and an opportunity to train individuals on the job without production or financial constraints.

Within Ireland, the IRM firm did not perceive the ALMP internship program as a viable long-term training and recruitment strategy for the production needs of its firm due to the lack of suitable candidates. The lack of suitable candidates was related to the concentration of highly technical occupations in the firm, as well as the need for individuals with additional language skills given their high exposure to the international market. In contrast, the ALMP internship program was an enabling mechanism for the IRS firm, one which provided suitable candidates and skill mixes relevant not only to the occupational need but also to the demands of a small firm operating in a domestic market.

Overall, the Spanish firms all lacked trust in the capacity of the PES to deliver a steady supply of highly qualified individuals for ALMP internships. This lack of trust was rooted in both historical perceptions of the PES as an institution that provided employment support to individuals with lower education levels, as well as wider structural problems with a large portion of the population with secondary level or below qualifications and consequently these being the individuals most likely to be unemployed and registered

as unemployed with the PES. This led to all Spanish ICT firms choosing to select their own ALMP internship candidates through other recruitment channels.

Some similar patterns can be observed between the trust Irish and Spanish domestic and MNC subsidiaries have in the ALMP internship programs as viable training and recruitment strategies. The domestic IRS, SPS, and SPM firm all had labor processes that involved lower levels of occupational specialization and involved the acquisition of a broader set of skills beyond the niche of occupations that required primarily high-tech software qualifications. For the SPS firm, as a small firm located in a rural geographic location in the tourism industry, it operated in a context of a limited supply of qualified candidates, limited resources, and production needs dependent on employees having a broad knowledge of the tourism industry. Similarly, the IRS firm also operated in a context of limited resources and limited access to qualified and experienced candidates due to competition with larger ICT firms who could provide higher salaries to more experienced and highly qualified workers. The Irish ALMP scheme provided a strategy for the IRS firm to informally test candidates for more soft skills not captured readily through the interview process. Likewise, the SPM firm also valued the ALMP internship scheme to test candidates for more soft skills, but in the context of a firm operating within the communication sector, a sector saturated with a steady supply of communication graduates and a long tradition of internships. The dependency of all of these ICT firms on the domestic market also meant they were not exposed to the same levels of international market competition and subsequently did not have the same hierarchical structure of occupations that required the same occupational specializations and skill mix (i.e. foreign language requirements, etc.).

The MNC subsidiaries, the SPL and IRM firms, depended more heavily on individuals with high-level technical software qualifications and only trusted the ALMP internship program as a mechanism to hire individuals for mid to lower-level administrative occupations. This is clearly related to the rapidly changing pace of the international market which increasingly demands high-level technical software employees in a context where both firms struggle to retain their employees due to poaching from other ICT firms that offer higher market wages. Consequently, both the SPL and IRM firms attempted to recruit individuals with high level technical skills either through graduate

internships or directly upon receiving graduate qualifications. The lack of a steady domestic supply of individuals with the required skills for these jobs in the domestic market within Ireland and Spain, further reduced any incentive to recruit individuals and upskill them for these occupations through ALMP internship programs. In other words, the ALMP internship programs are not perceived as a viable training and hiring pathway for highly-skilled technical occupations for the SPL and IRM firms due to this lack of supply. Therefore, the lack of a supply of high qualified and experienced technical software candidates, access to alternative hiring strategies and the ease with which highly-skilled technical employees can take their skills elsewhere, plays an important role in how these firms choose to use ALMP internship programs and the frequency in which they use them.

All of the Spanish and Irish ICT firms clearly have high levels of trust in upper level university qualifications. However, in a context of an insufficient supply of highly-skilled technical qualifications, large MNC subsidiaries such as SPL and IRM firms, would logically not expect an ALMP internship programs to provide such skilled workers given the lack of propensity for these individuals to become unemployed due to the high demand for this skill set. Thus, ALMP internships are only used for lower level administrative and IT support occupations. The IRS, SPS, and SPM firms value a different skill set, one based on soft skills and high levels of internal flexibility, and less on specialized technical qualifications. Thus, ALMP internships provide a more viable and trustworthy training and hiring strategy for the IRS, SPS and SPM firms.

#### **Conclusions**

This chapter has highlighted that within the ICT sector similar firm practices may coexist within different national settings. Despite the existence of high levels of institutionalized spaces for social partners to negotiate and coordinate training through collective bargaining within Spain, collective agreements remained relatively mute on training issues and work council institutions are either absent or weak in addressing training issue within ICT firms. This supports existing research which suggests the persistency of coordination failures and the weak organization of social partners to

articulate 'specific or co-specific assets' (Molina and Rhodes 2007) such as the regulation of training, and more specifically ALMP training, within Spanish firms. Thus, this would be expected to result in greater variation in training strategies at the firm level and alternative explanations for this variation. Similarly, Ireland's low levels of spaces for social partners to negotiate and coordinate training through collective bargaining, and more generally, its reliance on voluntary advisory institutions of social partner engagement on training issues would also be expected to reflect a greater tendency towards diverse firm training practices and other environmental explanations for this diversity. Indeed, this observation also supports existing research which argues that the Irish model of voluntary workplace collective bargaining, particularly in the private sector, closely models other Anglo countries and has resulted in highly diverse and individualized forms of workplace practices, including though not limited to training (Roche and Geary 2000; Dobbins 2010).

In terms of administrative burdens and information deficits, the Spanish PES continues to be relatively weak in providing effective supports to firms. While this impacted all of the Spanish ICT firms, it was particularly problematic for the small, rural IRS firm, and resulted in its inability to systematically engage with the ALMP internship program. Within Ireland, the capacity of the PES had actually improved, such that coordination deficits and administrative burdens did not hinder the Irish ICT firms' participation, regardless of size and location, in engaging with the ALMP training program. However, the Irish PES still continued to remain weak in its preponderance towards political shifts and veto points. Thus, the consistency of the Irish ALMP internship program could not be guaranteed which could potentially discourage the future participation of ICT firms. Indeed, in a context where none of the ICT firms had ever participated in ALMP training previously, this continuity remains important to develop strong relationships of engagement with firms. Thus, in the case of Spain, the weak capacity of the PES to effectively deliver the ALMP internship scheme may be considered an explanatory variable as to why firms may or may not engage, whereas within Ireland the continuity of an ALMP internship scheme was an important variable to explain why firms may consistently engage.

The issue of trust in educational and ALMP program outcomes begins to unravel why and how ALMP internships are incorporated into particular production strategies. The Spanish firms were found to all lack trust in the capacity of the PES to deliver a steady supply of highly qualified individuals through ALMP internships. However, this was found to be related less to the PES capacity and more related to the reality that the PES has historically been perceived as offering employment services to individuals with lower educational qualifications. With a large portion of the Spanish population with secondary level or below educational qualifications, this lack of trust in the capacity of the PES to deliver highly qualified candidates is reinforced. Therefore, all Spanish ICT firms selected their own ALMP internship candidates through other recruitment channels. Within Ireland, the ALMP internship program enabled firms to directly select and interview candidates through an ALMP internship program website that closely mirrored private online recruitment websites, thus firms did not choose between the Irish PES candidates and their own. However, while Spanish firms clearly did not trust the PES's supply of candidates, ICT firm trust in the ALMP internship program and how they used it is more related to particular production strategies in the context of a deficit of highly skilled technical applicants.

Similarities were found among the MNC subsidiary firms and the IRS, SPS and SPM firms, in terms of how the firms selected ALMP participants from the labor market and the particular occupations for which the ICT firms used ALMPs. Within the MNC subsidiaries, the occupational structure which was highly dependent on high-skilled technical occupations combined with issues of high-turnover, retention and a lack of candidates with these skills meant that ALMP internship programs were perceived as a mechanism to train and hire individuals for mid to low-level administrative occupations. Thus, the ALMP internship program was not valued as a mechanism to fill these occupations and consequently the MNC subsidiaries depended more on recruitment through university (internships) and internationally. In comparison, the IRS, SPS and SPM firms had a different occupational structure one that valued a different skill set, one based more on soft skills and high levels of internal flexibility, and less on specialized technical qualifications. Recruitment was limited to the domestic labor market for all three firms with geographical location and resources (i.e. wages) playing

important roles in the type of candidates firms could access. Therefore, the ICT firms' occupational and production structures, in addition to firm access to particular resources to hire from the labor market, clearly impacts how ICT firms choose to use the ALMP internship programs. This poses further questions as to how the choices of these ICT firms are embedded in particular production strategies which facilitate either medium road or high road strategies for particular segments of workers within the firms.

This chapter underscores the important role particular features of the firm and sector may play in the actual production paradigms adopted. While the weak capacity of the PES plays a clear role in explaining why ICT firms may systematically engage or not with ALMP internship programs in Ireland and Spain, it provides less explanation for how firms utilize ALMP training programs in practice in the context of different production strategies. The levels of institutionalized spaces for social dialogue such as collective bargaining played very little role in explaining why firms used ALMP internships in different production strategies and how they engaged in these different context, whereas the trust in ALMP internship outcomes was more related to trust in the overall supply produced through the tertiary education system of highly technical applicants and the specific labor market processes and production strategies of the ICT subsidiary firms. This last factor begins to uncover some of the nuances of how ICT firms may engage with ALMP internships in the context of particular production strategies, with the other factors offering very limited explanations as to how the ICT firms recruited and trained through ALMP internships.

Two distinct groups of ICT firms emerged within Ireland and Spain through the analysis of the last factor, trust in state educational and ALMP training outcomes. Specifically, they are: 1) the IRM and SPL MNC subsidiary firms, and 2) the IRS, SPS and SPM domestic firms. These two groups of firms varied in their occupational structures, their exposure to the international market, and their available resources to access particular candidates through ALMPs, which in turn influenced how they used ALMPs. However, it remains unclear how these firms vary in terms of ALMP internship job quality outcomes. Therefore, Chapter 6 will analyse these nuances among the Spanish and Irish ICT firms.

The extent to which the distinctiveness is still apparent in terms of job quality outcomes and *initial* entry pathways towards these jobs is also a key issue that will be considered.

# Chapter 6: Flexible and Secure Jobs through ALMPs?

Within Chapter 5, two groups of firms emerged within the ICT sector in Ireland and Spain: 1) the IRM and SPL MNC subsidiary firms, and 2) the IRS, SPS and SPM domestic firms. This division was explained by specific features of the ICT firm's occupational and production structures which influenced how the two groups of firms used ALMPs. For the first group of ICT firms, the saturation of high-skilled specialized ICT jobs within the firms that demanded experienced, high-skilled ICT professionals combined with issues of high-turnover and retention among these professionals were important factors in shaping how the firms structured their recruitment and training strategies among lower-level non-specialized ICT jobs. For the second group of ICT firms, the lower levels of occupational specialization, lack of high-turnover and retention problems combined with limited cost-effective alternatives for expansion and product markets were important explanatory factors in the distinctive hiring and training strategies.

This section aims to further examine to what extent the ALMP internship schemes within the Irish and Spanish ICT firms facilitated particular job quality outcomes in terms of earnings, working time, skills and discretion, and prospects and internal progression. First, Ibsen and Mailand's (2009; 2011) flexicurity framework is explained and an argument is made for its applicability to analyze job quality dimensions in the Irish and Spanish ICT firms. The conceptualization of different possible combinations of flexicurity balances are also presented in relation to the four different job quality dimensions. The last section examines the ICT case studies in the context of their national, sectoral and firm regulatory features to assess what job quality dimensions through ALMP internships exist in practice at the firm level, as well as how national legislation and collective bargaining agreement influence these outcomes, if at all. Finally, the job quality outcomes are examined more fully across the Irish and Spanish ICT sectors and any emergent patterns are considered.

# Job Quality in ICT firms

This section aims to explore the four dimensions of job quality, earnings, prospects and progression, working time quality, and skills and discretion, among the five Irish and Spanish ICT firms while using an analytical framework which assesses firm's ability to balance flexibility and security for 'good' quality jobs. These job quality aspects were chosen because they were themes that consistently emerged in the data, prominent in the literature (see Muñoz de Bustillo et al. 2011) and ones that more closely link with employer practices in the firm itself.

Given the qualitative nature of this study and indeed the wider objective to examine the underlying dynamics that contribute to job quality dimensions for individuals hired through ALMPs, the flexicurity framework provides a useful heuristic tool. The flexicurity concept is derived from different forms of labor market flexibility and security. Most commonly known is Wilthagen (1998) and Wilthagen and Tros' (2004) flexicurity matrix, which establishes four forms of flexibility and four forms of security. The linking of job quality dimensions to the various forms of flexicurity was done using an adaptation of Ibsen and Mailand's (2009; 2011) analytical framework. This research chose to modify some of the job quality dimensions, as well as extend the analysis to the firm level, thus enabling the inclusion of a further regulatory feature HR-policies with a single employer. While potential combinations of flexicurity and non-flexicurity are conceptualized for each job quality dimension, the various forms of flexibility and security are not elaborated here, as they have already been in Chapter 2, along with an extensive review of the flexicurity literature and its debates. However, a further review of Ibsen and Mailand's (*Ibid*) flexicurity analytical framework is elaborated here to examine job quality outcomes through ALMPs within Ireland and Spain.

#### 'Flexible and Secure' Job Quality Outcomes

Flexicurity strategies are generally conceived of as policy measures and strategies developed, designed and implemented at various levels through the involvement of a multitude of actors. Most studies tend to consider the flexicurity concept at the national

regulatory level, thus neglecting the various forms it may take at other subnational levels. Indeed, flexicurity can take on different forms in EU member countries depending on the relationship between flexibility and security and the design of labour market policies and institutions at the macro, meso, and micro level (Schmid 2009). Ultimately, the firm is where these labor market policies are implemented and consequently firms have a direct impact on whether a balance between flexibility and security is achieved in a job. While national labor market regulation and collective bargaining provide key incentives for firms to implement flexicurity strategies, many firms, often implicitly, develop their own policies which may also contribute to flexible and secure jobs. Ultimately, the firm is ultimately where the employment relationship is located. An examination of firm level outcomes enables this thesis to understand what combinations of flexibility and security exist in practice and what facilitates these combinations and the extent to which this reflects national employment legislation, sectoral collective bargaining arrangements and/or more nuanced outcomes related to sector and firm specific policies. Within this research the Irish ICT sector was also included, a sector lacking collective agreements. This provides for an examination of whether job quality outcomes through flexicurity can indeed be found in the absence of sectoral collective bargaining arrangements. Thus, firm level policies, both formal and informal, are considered alongside national and collective bargaining types of regulatory features as providing for balanced types of 'flexicurity' on each job quality dimension.

The flexicurity concept generally considers employers to benefit from high levels of flexibility and employees high levels of security, such that flexicurity is argued to be a 'win-win situation' (Keune and Jepsen 2007), which attempts to balance the trade-off between labor market flexibility (capacity of firms to adapt labor to business needs) and security (the minimization of social risks) (Auer 2010). While debates exist (Schmid 2009), this thesis assumes that employers will seek flexibility and employees security. The flexicurity matrix is set up so that each intersection of security and flexibility represents a possible balanced form of flexicurity. However, the flexicurity matrix is argued to provide a guide for researchers as opposed to theoretically defining what constitutes a balance (Ibsen and Mailand 2009; 2011). Therefore, one important aspect

of operationalizing flexicurity is to define what combinations of flexibility and security may be considered balanced.

This thesis adopts Ibsen and Mailand (2009; 2011) conceptualizations of flexicurity balances which provide for four types of flexicurity and two types of non-flexicurity, with slight adaptations made given the inclusion of both formal and informal policies at the firm level.

**Flexicurity 1:** Flexicurity exists in regulatory or informal arrangements that *trade-off* flexibility and security (and vice versa) and where losses of either flexibility or security are *compensated* with endowments of flexibility or security.

**Flexicurity 2**: Flexicurity exists in regulatory or informal arrangements that combine flexibility and security in *win/win pay-off*s thus creating advantages for employers and employees alike.

**Non-flexicurity 1:** Regulatory or informal arrangements where *trade-offs* between flexibility and security (and vice versa) are *not compensated* with endowments of flexibility and security and thus represent pure zero-sum games.

**Non-flexicurity 2**: Lose/lose pay-offs in which regulatory and informal arrangements simultaneously decrease flexibility and security.

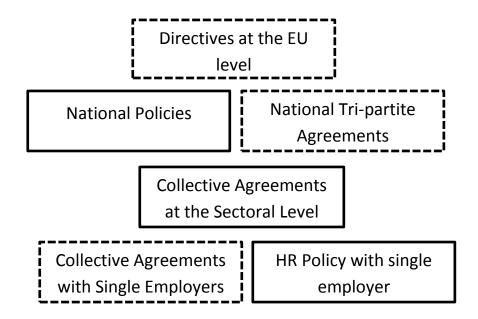
(Ibsen and Mailand 2009; 2011)

Trade-offs are understood as zero-sum, where one party benefits at the others loss. However, through compensation for a trade-off some regulatory and informal arrangements may be balanced. An example of this is an increase in wage flexibility which reduces income security which is compensated by job/employment security. Importantly, compensation must be interpreted in terms of the flexicurity matrix and consequently pecuniary compensation such as for the loss of combination security for flexible working time is not considered flexicurity. Flexicurity 2 involves win/win payoffs where regulatory or informal arrangements mutually benefit both employers and employees. An example is in flexible working time arrangements where length, scheduling and distribution of working time benefit both the employer and its employees, thus creating increased working time flexibility and increased security. In

line with Ibsen and Mailand's (2011) analytical framework, the analysis does not attempt to precisely measure an even balance of flexibility and security but rather assesses the firms for evidence of moving in the direction of flexicurity in each of the job quality dimensions. In addition, the flexicurity framework captures two points in time of the job quality dimension: the *current* job of former ALMP interns and the *initial* job following the ALMP internship. The reason for this decision is the observation that in four of the five firms, the *current* job dimensions vary from the *initial* job dimensions, particularly in relation to contract quality (i.e. permanent vs. temporary), an aspect that may have implications for job quality outcomes. Indeed, contract quality is something that has been argued to require different balances of flexicurity (Ibsen and Mailand 2009). While these two snap shots of the job do not claim to fully capture internal labor market transitions at every stage, it can provides an idea of how job quality dimensions may shift at two points in time between flexicurity and non-flexicurity balances.

Ibsen and Mailand (2009; 2010) suggest flexicurity may be studied at four different levels and through different regulatory features. This research is particularly interested in the actual outcomes of job quality dimensions recruited for through ALMPs, or to account for movement towards flexicurity in practice at the firm level. Therefore, the empirical analysis mainly focuses on outcomes within the firm, while taking into account the macro, meso and micro regulatory levels as possible contributory features moving firms towards flexicurity. In Figure 3, the boxes that are not truncated are the levels considered.

Figure 3: Formal and Informal Regulatory Levels of Flexicurity



Source: Ibsen and Mailand 2009

Similar to Ibsen and Mailand (2009), formal regulation related to external flexicurity is treated as context. However, different in terms of the regulatory levels, is the exclusion of collective agreements with a single employer (which are not relevant to the selected firm case studies) as well as the inclusion of informal and formal firm level policies and practices, thus recognizing that good job quality outcomes often manifest in the firm informally (i.e. through training, etc.), particularly in small firms, as will be illustrated through the firm case studies.

Given the focus on the firm and job quality outcomes after ALMP internships, job quality dimensions in terms of flexicurity outcomes will primarily concentrate on internal flexicurity as opposed to external flexibility as indicated in the second model. According to Ibsen and Mailand's (2009), this model includes internal flexibility (i.e. working-time flexibility, functional flexibility) and internal security (i.e. job security, employment security, income security and combination security) which can be achieved through statutory rights, sector level agreements and/or firm level policies and practices. The first model concentrates on high external numerical flexibility balanced

by employment and income security through public schemes such as that provided for through active and passive policies, thus more closely representing the classic Danish 'golden triangle.' However, this study is interested in examining how Irish and Spanish ALMPs facilitate job quality outcomes at the sectoral and firm level. Therefore the first model was not considered appropriate for the research objective.

**Table 11: External and Internal Flexicurity Models** 

		External Security Provided by Solely Public Schemes		Internal Security by statutory rights, sector collective agreements and/or firm policies and practices			
		Employment Security	Income Security	Job Security	Employment Security	Income Security	Combination Security
External Flexibility	Numerical Flexibility	Model 1					
Internal Flexibility	Working- time flexibility			Model 2			
	Functional flexibility						
	Wage flexibility						

Source: Ibsen and Mailand 2009

Therefore, internal flexicurity is the main focus for the analysis of job quality outcomes for individuals hired through ALMPs. To further understand how balances of flexicurity may manifest in practice, some brief examples are presented below, while also taking into account the different implications this may have depending on contract quality. While adhering to the analytical framework established above, it should be remembered that flexicurity for a job may be achieved through either compensated trade-offs or win/win pay-offs. Therefore, examples of both possible contributions to

flexicurity job outcomes are outlined below. While flexicurity examples may extend beyond those listed below, this provides a departure point to begin the firm level analyses for job quality outcomes for individuals hired through ALMPs. The following section will present the analysis of the central research findings.

**Table 12: Analytical Categories and Examples of Contributions to Flexicurity** 

Job Quality dimensions	Anticipated Flex	ibility dimension	Anticipated Security Dimension		
	Permanent Workers	Atypical Workers (i.e. temporary/	Permanent Workers	Atypical Workers (i.e. temporary)	
		TAW)			
Earnings	Wage Flexibility (i.e.	Wage flexibility/External	Income security (i.e. basis wage	Income Security (i.e. right to equal wage for	
	variable pay)	numerical flexibility (i.e. equal access to variable pay, can	which limits downward pressure on	similar work)	
		easily be made redundant)	earnings)		
Working	Working Time	Working time	Combination	Combination Security	
Time	Flexibility (i.e.	flexibility (i.e. part-	Security(i.e.	(i.e. equal rights to	
Quality	variable	time work)	certainty/right to	standard forms of paid	
	working time)		opportunities to	leave, social benefits, &	
			combine work and	right to permanent	
			private life)	contract after period of renewals)	
Skills &	Functional	Numerical	Job	Employment Security	
Discretion	Flexibility (i.e.	Flexibility (i.e. can	Security/Employme	(i.e. right to training	
	transferability	easily be made	nt security	and skill development)	
	between	redundant)	(i.e. transferability		
	positions)		between positions)		

Prospects &	Functional	Numerical	Job	Employment Security
Internal	Flexibility (i.e.	Flexibility (i.e. can	Security/Employme	(i.e. clear rules on
Progression	transferability	easily be made	nt Security	responsibility for
	between	redundant)	(i.e. career	contract, right to
	positions)		prospects, ability	permanent contract
			to stay in same job)	after period of
				renewals, career
				prospects)

Source: Adapted from Ibsen and Mailand 2011

### **Earnings**

Irish ICT firms

Within the Irish ICT firms, earnings are largely dictated by the market given the absence of trade unions in the sector. Therefore, any movements towards flexicurity balances would be expected to result from firm level policy and practice or statutory regulation. The statutory regulation establishes the minimum wage in Ireland at €9.25 per hour. However, the ICT sector is generally considered to have high job quality in terms of earnings with average pay at €32.75 per hour, with those under 30 receiving on average €23.43 (Eurostat 2014a). After age 30, the wage per hour jumps to €30.94 per hour (*Ibid*). Average monthly earnings are €5,388, with those under-30 receiving €3, 855 compared to those 30-39 years of age receiving €5,094 (Eurostat 2014b). In short, a small age penalty exists for earnings in the ICT sector with earnings set at 72% of the average wage and with increases for those over 30 years of age. This age penalty for earnings may be expected due to the higher probability of recent entry into the labor market by this cohort and more generally the lack of work experience. However, the wages are still well above the minimum wage, even for those under 30.

For the *current* jobs recruited for through ALMP internships, all permanent positions, a different image emerged with earnings well below the monthly ICT sector average.

Within the IRM's *current* system's administrator job recruited through ALMP

internships, earnings were set at €2500 per month, whereas within the IRS firm's web designer and sales, marketing and technical and web designer jobs 18 recruited through ALMP internships, earnings were €2426 per month, both below the ICT sector averages. However, a recent study of job quality (Wickham and Bobek 2016) in the ICT sector found that the largest bracket of earnings are between €400-€800, thus suggesting the concentration of extremely high wages may be skewing the Eurostat averages. Indeed, the range of earnings within the IRM firm was from €25,000 per year (administrators) to over €100,000 (senior management), with the average earnings at €70,000 per year. Interestingly, the *current* earning's level of the IRM's system administrator job was also not that much higher than the salaries of the IRS firm jobs, thus perhaps suggesting a more hierarchical management and wage structure within the IRM firm. Indeed, the IRS firm's flatter managerial structure was conducive to a flatter and less disparate earnings structure with job earnings ranging from €20,000- €30,000. Thus, while both jobs recruited through ALMP internships fell within the range of earnings of most ICT professionals within Ireland, at the firm level, large wage variation existed within the larger IRM firm. While this is not directly relevant to defining job quality in terms of flexicurity, it matters in terms of how firms organize labor and earnings.

The earning levels found within the web designer and sales, marketing and technical and web designer jobs and *current* system's administrator jobs, cannot be considered a type of income security given the emphasis both the IRM and the IRS firms place on the market conditions to set wages. Consequently this means that the national statutory minimum wage is the only limit on downward wage pressures in the Irish ICT sector.

They [wages] are set by the market really. We would try to conduct market data and the market moves a couple times a year for technical salaries. Not as much for the commercial side but it's all very market driven.

HR Director, IRM firm, 2016

Similarly, for the IRS firm, earnings are set by the market and the production needs of the firm.

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<sup>&</sup>lt;sup>18</sup> The IRS firm was the only ICT firm to not recruit via an initial temporary contract through the ALMP internship scheme.

We are spending a lot on R and D and the lines of revenue that we have demand that sort of level of wages at the moment and that's what's available for the company to spend and the labor isn't there yet.

Managing Director, IRS firm, 2016

Therefore, while monthly earnings are clearly above the minimum wage and fall within the range of ICT earnings for the jobs recruited for through ALMPs, earnings can easily be adapted according to production needs and market demands. This mitigates possibilities for contributions to income security for the *current* jobs recruited through ALMPS in the IRS and IRM firms.

In terms of contribution to wage flexibility, variable pay through bonuses and wage supplements may also be used by employers to improve performance and overall firm productivity. Within the Irish ICT sector, this is an area primarily regulated by firm level policy. While variable pay schemes are particularly common within the ICT sector, firm size is also a relevant factor for the presence of variable pay schemes. The European Company Survey found that 59% of small firms, 77% of medium firms and 83% of large firms have variable pay schemes (Eurofound 2016). Indeed, for the Irish ICT firm case studies, only the IRM firm had a policy that incorporated variable pay through annual bonus increases for its employees.

Within the IRM firm, annual 5%-20% bonuses reflected performance and occupational levels with the *current* entry-level system's administrator job recruited for through the ALMP internship being offered a 5% bonus annually. While contributing positively to enhancing wage flexibility for the firm, it cannot be considered as a form of income security, given that it is variable and thus not a guaranteed type of income security. Indeed, as has already been argued, the IRM firm relies largely on the market to establish its wage structure and thus the only income security is the minimum wage. Therefore, the absence of income security to balance this variable pay scheme means that a flexicurity balance for earnings is unfounded in the *current* system's administrator job recruited through ALMP internships within the IRM firm.

In terms of temporary contracts, only the IRM firm *initially* recruited via the ALMP internship for its system's administrator job (then titled IT Support Administrator) via a temporary contract. Given that Ireland has some of the lowest percentages of temporary contracts (8.2%) in the EU-28 (14.2%), this initial recruitment strategy represents an anomaly in the wider Irish context. Indeed, while employers bear a relatively high cost of the unemployment benefit, 70% (Esser et. al 2013), severance costs between temporary and permanent contracts do not vary significantly. Thus, the link between temporary contracts and severance costs does not generally steer Irish employers in the direction of temporary contracts. Therefore within the IRM firm high levels of external numerical flexibility can be concluded to exist for both temporary *and* permanent contracts. In addition, the IRM firm also extended its wage flexibility scheme through bonuses for the *initial* system's administrator job, thus as already argued skewing the flexicurity balance in favor of the IRM firm.

In terms of income security, temporary workers are protected by (The Protection of Employee (Fixed Term) Work Act 2003)<sup>19</sup> for fair treatment in terms of equal wages for an employee performing similar tasks. Indeed, earnings for the *initial* system's administrator job were €2,083 per month, well above the average ICT income bracket and above the minimum wage. However, as already argued earnings fluctuate according to market demand within the IRM and IRS firms with the IRM firm still maintaining the power to negotiate wages on an individual basis. Therefore, while Irish legislation provides for equal rights for temporary workers in terms of earnings, it still does not provide a base for income security in the *initial* system's administrator job in the IRM firm.

Overall, despite equal access to wages similar to permanent workers, the system's administrator job still has a high degree of flexibility and can more easily be made redundant as production needs and market demands fluctuate. Consequently, similar to the *current* job high levels of wage flexiblization counteract any limits for downward pressures on wages. Thus, income security is not a feature of the earnings dimension of

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<sup>&</sup>lt;sup>19</sup> Temporary Agency Workers are excluded from the Act and instead are included under the Protection of Employees (Temporary Agency) Work Act 2012, disposed transposing the EU directive on Temporary Agency Work 2008/104/EC into Irish legislation.

the *initial* or *current* system's administrator job recruited for through ALMPs in the IRM firm. Overall, within the IRM and IRS firm, it is difficult to capture any flexicurity balances in terms of compensated trade-offs or win-win payoffs for both the *initial* (for the IRM firm) and *current* job recruited for through ALMPs.

## Spanish ICT firms

Within the Spanish ICT firms, the main regulatory feature for earnings within firms is through collective agreements, with statutory regulations setting a universal minimum for all workers. However, as was observed in Chapter 5, the Spanish ICT firms are all regulated by different collective agreements, thus enabling the possibility for varying job quality (i.e. [ALMP]training) outcomes. In addition, many collective agreements suffer from a lack of clear articulation of some job quality aspects, with social partners often unable to agree on new collective agreements (Ibsen and Mailand 2010), such as in the case of the Spanish national ICT collective agreement. Indeed, the pervasive influence of the Spanish state to remedy coordination failures in the industrial relations system has meant that social partners have strong incentives to invest in political power, as opposed to clearly articulating clauses in collective agreements to protect working conditions (Molina and Rhodes 2007). This deficit has extended to issues such as wage bargaining, workplace regulation, training and the management of employment and social protection (*Ibid*). Therefore, opportunities for balancing flexicurity at the firm level, not only for earnings, but also for other job quality dimensions, may be equally driven by statutory regulations and firm policies and practice.

Similar to Ireland, Spain has a national statutory minimum wage set at €825.65 (Eurostat 2015) per month, which is characterized by being closely linked to welfare benefits set at 75% of the minimum wage, as well as by its low level compared to other EU countries (Ibsen and Mailand 2009). Indeed, the national statutory minimum wage is a little over half that of Ireland. In addition, the state legislates for firms to pay wages below the minimum wage through the use of internships and training contracts for young workers through the interprofessional minimum wage, currently €537.84 (IPREM-Indicador Público de Renta de Efectos Múltiples), which provides for subminimum rates for inter-professional training (IPREM 2015). Thus, the statutory

minimum for earnings can be said to be very low in Spain, thus emphasizing the importance of collective agreements to set higher limits on earnings.

The Spanish ICT sector has an average wage of €2,509 per month (€14.76 per hour), with those under age 30 earning €1,598 (€9.26 per hour) for full time permanent workers. Therefore, workers under 30 have a wage penalty of 64% (62% per hour) of the average monthly wage (Eurostat 2014a, 2014b). As argued above this age penalty would be expected given the cohorts recent entry into the labor market and lack of work experience. However, Spain is notorious for its highly segmented labor market with a proliferation of temporary contracts among young worker. Indeed, this wage penalty is approximately 10% higher than the Irish wage penalty for those under 30 in the ICT sector. Eurostat figures further confirm this with an almost identical hourly wage in the ICT sector for temporary workers, €9.01 per hour (Eurostat 2014b). Thus, while the average wage in the Spanish ICT sector is well-above the minimum wage, a significant wage penalty occurs for individuals in the ICT sector who are young and on a temporary contract. This will be particularly relevant when examining the *initial* forms of flexicurity for earnings in the ICT jobs recruited through ALMPs.

Given the different collective agreements for each Spanish ICT firm, it is necessary to analyse each firm separately within the context of their collective agreement to distinguish moves towards flexicurity balances. For the SPL firm, as was mentioned in Chapter 5, the collective agreement has been stalled since 2009. Consequently, while the ICT collective agreement is still binding, earnings are at the levels of 2009 and consequently remain low. For the SPL firm, this means a relatively low floor exists in terms of entry- level earnings for the talent acquisition job recruited for through ALMPs.

The *current* permanent talent acquisition job recruited through ALMPs was located in the HR department of the SPL firm. While earnings for the current job were €1,600 per month, well above the minimum monthly earnings in Spain, this was only 63% of average earnings in the ICT sector and only slightly above average earnings for young workers under 30 in the ICT sector. While these earnings are slightly above the ICT collective agreement job classification category *'personal titulado* or qualified individuals' set at €1,569.25, this floor has not been raised since 2009 and consequently

this has not guaranteed consistent wage increases for this category nor other employees within the SPL firm. Interestingly, the earnings structure of the SPL firm, despite being a large MNC subsidiary, does not reflect the stark wage variation of the similar Irish IRM firm, with earnings ranging from €17,000 per year (entry-level administration) to €60,000 per year (senior project manager). However, the ICT sectoral agreement has demarcated over 29 categories of specific occupations linked to earnings, with the range of earnings spanning from €664.44 per month (interview-surveyor) to the highest salary of €1,569.25 per month (tertiary degree qualified workers). Obviously, the lowest earnings category is no longer valid as the national monthly minimum wage has since been increased to €825.65 per month. This reflects the lack of congruency between the ICT collective agreement earnings and occupations and the actual structure of earnings within the SPL firm. Interviews with a trade union official expressed concern over the wage flexibility in ICT firms and argued that this new structure of earnings is becoming normalized, particularly among young labor market entrants.

They are incorporating very young people, incorporating them at the lowest scale. They [young people] are accustomed to this salary, that is, they did not come from 40,000 and suddenly have their salary drop to 25,000. They maybe started out with an internship or a training contract of 9,000, and then they managed to work up to a contract of 12,000.

Trade Union Representative 1, Service Federation CCOO, 2016

Therefore, though the ICT collective agreement provides a clear wage floor to protect workers' earnings, earnings remain low and stagnant. Thus, the ICT sector collective agreement does not guarantee income security for the *current* talent acquisition job. Instead, it facilitates increased wage flexibility. Therefore, the *current* talent acquisition job in the SPL firm is concluded to not have increased income security, with earnings instead determined largely by production and market demands.

In terms of variable pay, the ICT collective agreement provides for annual wage supplements according to job category. This represents additional income security since it is a *quaranteed* supplement linked to seniority in the firm as opposed to

performance. Therefore, this entailed a small annual earnings increase in the SPL firm's talent acquisition job of €1, 536.22. However, given that negotiations have not raised these annual supplements since 2009, whether this represents a move in the direction of income security is questionable. Aside from the guaranteed annual wage supplements through the ICT collective agreement, the SPL firm also provided additional variable pay to enhance wage flexibility through a firm bonus scheme linked to worker performance. This bonus scheme thus provided additional income for the talent acquisition job. However, it cannot be considered a type of income security given that this supplement is not guaranteed but rather can be used by the SPL firm to increase wage flexibility and adapt supplements according to performance and production cycles. The ICT collective agreement supplements may be considered a form of income security given that these annual increases are guaranteed for the talent acquisition job. However, the lack of a renewed ICT collective agreement has not provided for any recent changes in the supplements, and therefore it may question the extent this indeed represents a move towards increased income security for the SPL firm.

For the *initial* working conditions of the talent acquisition job recruited for through ALMPs, the SPL firm further enhanced wage flexibility by *initially* hiring through an external Temporary Work Agency (TAW) contract. This involved an initial 6 month internship contract, followed by three external successive short-term temporary contracts (*el contrato eventual por circunstancias de la producción*) via a TAW, with total earning of €10,000 per year. While Spanish statutes incorporate the EU directive on TAW contracts (European Council and Parliament Directive 2008/104/EC) which establishes similar working conditions (i.e. remuneration, length of the working day, overtime, rest periods, night work, holidays and public holidays) for a TAW worker to a worker undertaking a similar task hired directly by the firm (Real Decreto Legislativo 2/2015), national legislation establishes lower wages for some temporary contracts such as the internship contract, regardless of the tasks undertaken. While collective agreements may improve earnings for internship contracts and more generally working conditions for temporary workers, within the ICT collective agreement, no clauses exist

to improve the statutory minimum earnings for temporary workers, including internship contracts, and short-term temporary contracts.

Thus, according to the examples of income security for temporary workers, statutes should improve equal access to earnings for the *initial* talent acquisition job recruited for through ALMPs. However, despite the guarantee of equal access to income security for TAW workers, national legislation still provides for lower earnings for some temporary contracts and the ICT collective agreement does not enhance these minimum earnings. Consequently, a move towards improvements for income security is not found for the *initial* talent acquisition job in the SPL firm.

As already mentioned in Ch. 4, Spanish statute also encourages the use of temporary employment within Spanish firms given that severance costs are highly dependent on contract type. Therefore, the SPL firm's decision to recruit *initially* via a temporary contract for the job is also concluded as a move towards increasing external numerical flexibility. While the initial talent acquisition job was provided with the right to the same annual bonus scheme provided by the ICT collective agreement, as argued above, the stalled ICT collective agreement meant supplements were not increased annually, thus questioning the extent this can be considered a move in the direction of increased income security. While the initial talent acquisition job was also included in the SPL firm's variable pay scheme, as already argued above this does not represent a guaranteed form of income security for the *initial* talent acquisition job, but rather enhances wage flexiblity for the SPL firm. Overall, both the *initial* and *current* conditions of the talent acquisition job in the SPL firm did not represent a move in the direction of balanced flexicurity through a win-win pay off or a compensated trade-off, but rather increased overall flexibility of earnings for the talent acquisition job. This finding suggests that the SPL firm has more opportunities, similar to the Irish firms, to adapt its earnings structures to market and production needs despite the presence of a national level ICT collective agreement. This supports Ibsen and Mailand's (2009; 2010) empirical findings on collective agreements in the Spanish print and electric sector which found that even when the Spanish state provided autonomy for social partners to negotiate a collective agreement, often there was an inability to reach agreements and consequently an underdeveloped collective bargaining agenda. As was argued in the

SPL firm for the job recruited through the ALMP internship program, this can have direct implications for earnings.

Within the SPM firm, the *current* permanent jobs<sup>20</sup> recruited for through ALMPs were mostly as video editors with earnings set at €1800 per month, or 71% of the average wages in the ICT sector, well above the wages for those under 30 (€1598 p/m) and the minimum wage (€825.65 per month). Noticeably, the entry salary was slightly higher than the SPL firm's *current* salary for the job recruited for through ALMPs. Indeed, the national non-daily press collective agreement (2013-2015) provides six job demarcations with annual earnings ranging from €888.32 (assistant administrator, doorman, bus driver, etc.) per month to €1,890 per month (director). Thus, the collective agreement is clearly superior to the ICT collective agreement in terms of the minimum floor set for earnings. Indeed, the salary offered by the SPM firm for entry level jobs in video editing is slightly above the wage floor of €1,252.11 per month, set by the collective agreement for video editors. While the SPM firm asserted it adheres to the non-daily press collective agreement, the SPM firm's expansion and increased productivity also led to the decision to elevate the non-daily press collective agreement base earnings so as to remain competitive in the market and attract additional talent.

Salaries are established by the market in the end... when I arrived there was a structure of salaries and we have reformed them some. You hear about how much they [other firms] are paying...' How much is that position paid in another firm?' We are interested in creating talent. We can afford to attract it.

Director of Finance/HR, SPM firm, 2016

Therefore, the SPM firm's wage structure has evolved through a mix of institutional regulatory features in tandem with market demands and production needs, thus facilitating higher earnings overall for its employees. Therefore, within this context the video editing jobs recruited through ALMPs in the SPM firm provide opportunities for increased income security.

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<sup>&</sup>lt;sup>20</sup> Working conditions related to the current jobs in the IRM firm are based on an employer interview and an extensive review of the IRM firm collective agreement. Given that an interview with a former ALMP intern was not granted by the firm, the analysis is limited on certain details.

In addition, the non-labor daily press agreement also provides for a range of wage supplements (i.e. tertiary degree qualified video editors, material expenses, transportation, marriage/Christmas bonuses, and travel/food stipends, overtime), with some linked to education level and occupational category. Indeed, for the video editing jobs recruited through ALMPs, these supplements provided for the opportunity to add various supplements to the already high base level wage. The addition of wage supplements linked to education, as well as overtime also meant opportunities for various forms of wage flexibility (as well as working time flexibility) for the SPM firm. Therefore, overall for the *current* video editing jobs recruited for through ALMPs, a winwin pay-off for earnings can be found given the balance between income security and wage flexibility.

Similar to the SPL firm, *initially* the video editing jobs were recruited by the SPM firm using temporary contracts via six month internship contracts. However, the SPM firm did not externalize the contract through TAW. In addition, different from the SPL firm's ICT collective agreement, was that the non-daily press collective agreement increased the statutory minimum for the internship salaries to 85% (compared to the minimum 60%) of the wage of an employee undertaking the same tasks for the first year and 95% (compared to the minimum of 75%) for the second year. Therefore, the SPM firm provided clauses to significantly improve the internship contract for the initial jobs recruited through ALMPs. In addition, the initial video editing jobs also had the right to access the same wage supplements. However, national legislation still facilitates for higher severance costs for temporary workers compared to permanent workers. Thus, this inevitably influenced the hiring trajectory of the SPM firm and increased the initial external numerical flexibility of the video editing jobs recruited for through ALMPs. Therefore, overall, despite the balanced flexicurity outcomes for earnings for the SPM firm's current video editing jobs, this same conclusion cannot be asserted for the initial video editing job due to the high level of external numerical flexibility that accompany temporary contracts in Spain.

Unlike the other two Spanish ICT firms, the SPS firm was part of a district (as opposed to a national) retail collective agreement (2014-2015<sup>21</sup>) in the Autonomous Community of Catalonia. As stated in Chapter 5, the SPS firm's adherence to a retail collective agreement is related to its history as a firm that was more closely tied to the retail sector in relation to its products and production processes. The current permanent job recruited through ALMPs was for an IT support job in the e-commerce Department. Earnings for the job were €1, 025 per month, only 41% of the average monthly wage and well-below the average wage for those under 30 (€1,598 per month) in the ICT sector. The IT support job fell under the category of 'head of staff, purchases and sales, head of division and administration,' an occupational category with a monthly salary of €1,023.39 per month, thus suggesting the SPS firm closely adheres to the demarcations for earnings established through its collective agreement. The salary structure of the regional retail collective agreement ranged from €832.16 (administrative assistant, telephone operator, etc.) to €1,263.76 (tertiary level qualified worker), over 10 occupational categories. Therefore, when compared to the ICT collective agreement, fewer divisions existed between workers and tasks, thus enabling higher levels of adjusting wages among occupations as well as enhanced functional flexibility between occupations and tasks. Given the lack of congruency between the SPS firm ICT occupations and those provided for in the collective agreement oriented towards the retail sector; a greater degree of wage flexibility for the SPS firm was also facilitated. Indeed, the SPS firm managing director asserted that, while the SPS firm adheres to its collective agreement, it also adapts its earnings structure closely to employee performance, firm production strategies, and its remote geographical position.

It is according to the demarcation, but even more so the tasks that you perform in the job. It could be that a person who does not have a diploma is receiving the salary of a manager. This happens. It depends on the responsibility you assume and the tasks you do. Academic accreditation is important, but in this geographical situation we have to adapt as a firm.

Managing Director, SPS firm, 2016

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<sup>&</sup>lt;sup>21</sup> Due to the extension of collective agreements through 'ultra-activity' until a new one is negotiated, the 2014-2015 collective agreement was still valid in the beginning of 2016, given a new collective agreement had not been agreed on.

The remote geographical position of the SPS firm is an important factor to take into consideration, as this illustrates the adaptability firms may assume to increase wages beyond the demarcation of their collective agreement so as to attract and retain labor. Indeed, while this is not a formal clause of the regional retail collective agreement, the SPS firm has adopted this practice to more flexibly structure wages within its firm.

Therefore, it appears the district retail collective agreement provides a wage structure for the SPS firm while also enabling a relative amount of adaptability for the firm to adjust wages according to the supply of workers. In addition, the district retail collective agreement also provides for supplements (i.e. dinner, lunch, lodging), three extra payments per year, and access to individual bonuses according to seniority. These were all important additional features that added to the *current* salary of the IT support job. Thus, overall the collective agreement provides for an earnings basis to resist downward pressures on earnings as well as provides for guaranteed supplements, thus further enhancing income security. In addition, the SPS firm in practice has managed to adopt a policy that closely links wage flexibility to job tasks and responsibility given it rural geographical position. Therefore, though not intentional, a balance of flexicurity can be assumed in the form of a win-win pay-off in the overall structure of earnings for the IT support job recruited for through ALMPs.

Similar to the SPL and SPM firms, the SPS firm *initially* recruited the IT support job via a temporary contract, specifically a one year internship contract. However, like the SPM firm, the SPS firm did not choose to externalize the contract through TAW. In addition, the SPS firm's district retail collective agreement provided for a higher salary for the intern contract 80% (compared to 60%) for a worker undertaking the same tasks and limited the duration to one year. The *initial* IT support job also had access to the same wage supplements provided by the district retail collective agreement. Thus some enhancements on income security were found for the *initial* IT support job. However, the actual earnings received through an internship contract were still below the national minimum wage and high degrees of external numerical flexibility existed due to the nature of the temporary contract. Therefore, the *initial* IT support job is still tipped in favor of the SPS firm in terms of enhanced wage flexibility and external numerical

flexibility. Consequently, a balanced outcome for earnings is not found for the *initial* IT official job.

### **Working Time Quality**

### Irish ICT firms

According to Eurostat figures, the average working week in Ireland in 2016 was 40.5 hours, slightly below the EU-28 average of 41.4 (Eurostat 2016). Alongside this decrease in working hours, evidence also exists that working time has simultaneously become increasingly flexible through shift work and outsourcing through subcontracting (Dobbins 2009; Wickham and Bobek 2016), particularly in non-unionized sectors such as ICT.

The Irish Organisation of Working Time Act (1997) places limits on the maximum working week, rest periods and breaks, night work and working time records. However, while it defines the work week as 48 hours, it can be calculated as an average over a 4 month period, 6 months for some industries subject to peak times (i.e. due to tourism) and 12 months when an agreement has been made between the employer and the employees approved by the Labor Court. In addition, no statute applies for overtime pay and for Sunday work employers must give a 'reasonable allowance, pay increase or reasonable paid time off work' and sick leave is left up to the discretion of employers. Of course, flexible working time can also benefit the employee as well and be balanced with national statutes or firm policies that promote opportunities for combination security, such as through flexi-time, leave schemes, and childcare facilities.

Within Ireland, some statutory minimums provide floors for balancing working life with private life. This includes Parental Leave (Amendment) Act (2006) which provides for rights to (unpaid) parental leave, 14-18 weeks until a child is 8 years of age, the Maternity Protection Act (1994 & 2004) which also provides 26 weeks paid and 16 weeks unpaid maternity leave and two weeks paternity leave, the Carer's Leave Act (2001) and the Irish Organisation of Working Time Act (1997) which provides for rights

to annual leave. Apart from these statutes, most opportunities to regulate working time are through collective agreements, or in the case of the majority of the Irish ICT sector and the Irish ICT firm case studies, through firm policies. Therefore, within this regulatory context it would be expected that working time quality conditions, which includes working time flexibility and combination security, would be developed at the firm level for the jobs recruited for through ALMPs.

Within the IRM firm, in addition to the minimum floors set by statutory regulation, the IRM HR policy officially sets the weekly work week at 37.5 hours, with flexible times for entering and leaving work and weekend overtime pay. However, the HR director asserted that practice was quite different with most employees working 40 hours or more and lengthy overtime, particularly on the 'non-technical, commercial side of the house.' For the *current* system's administrator job recruited through the ALMP internship, the job was contracted at 37.5 hours with access to flexible entry and departure times. Overtime was not a frequent feature during the work week. However, being 'voluntarily' on-call during the weekend to resolve technical issues was a dominant feature of the job, even during the ALMP internship period.

Under certain circumstance there would be times when I have to [work on the weekends], but that would only happen maybe four times per year, maybe once per quarter. That's overtime but then voluntary kind of, I would see something pop up on my phone and I would just go online for a half hour and sort it out. That is more voluntary so you can't really classify that as overtime. That would happen maybe once a week.

Former ALMP Intern, System's Administrator IRM firm, 2016

This provides an example of the increased blurring between working time and non-working time where boundaries are a less dominant feature of the knowledge economy (O'Carroll 2008). In addition, it also illustrates the increasingly accepted norm of using technology to adapt the job to the production needs of the firm. For the *current* system's administrator job, weekend hours were not formally compensated through flexi-time or overtime pay, but rather were subject to individual discretion, such as arriving an hour or two late on the following Monday. Therefore, despite a firm policy

for weekend overtime pay, 'voluntary' weekend work appears to not be included as part of the overtime pay scheme of the *current* IT support job.

The IRM firm asserted that overtime during the work week was compensated indirectly through the annual bonus scheme linked to employee performance. However, this bonus scheme was directly linked to level and occupation type, as opposed to the actual number of overtime hours.

We have a bonus scheme, so most of our employees are on a bonus scheme reaching 5-20% and that [overtime] is probably reflected then so you have your very junior people on 5%, software developers, a few flex the hours here and there they would do over the year and then most managers receive between 10 and 20% and that reflects that then as well.

HR Director, IRM firm, 2016

The frequency and unpredictability of overtime within the IRM firm to meet production demands represents an increase in working time flexibility. Compensation for overtime pay or rest time is also not directly linked to overtime, thus the working time flexibility is not balanced with increased discretion to enhance combination security. Therefore, for the *current* system's administrator job recruited through ALMPs, a balance of flexibility and security for working time quality was not found, given evidence for higher levels of working time flexibility compared to combination security. In addition, while the *initial* temporary system's administrator job had access to the same statutory rights as the *current* permanent job, the working time quality features of the job did not vary by contract type. Consequently a flexicurity balance in favor of quality working time was not found in either the *current* or the *initial* system's administrator job.

The IRS firm was found to be very similar to the IRM firm in terms of working time quality, with a firm policy of 40 hours per week, but frequent overtime in practice among the web designer and sales, marketing and technical support jobs recruited through ALMPs. Similar to the IRM firm, flexible entry and exit times and the ability to informally adjust working hours to personal needs were also features of the web designer and sales, marketing and technical support jobs, thus providing some degree

of combination security. However, for the web designer and sales, marketing and technical support jobs, working time flexibility was also prevalent with some degrees of variation according to the nature of the job. For the web designer job, overtime during the work week was common given the direct link the job had with customer websites.

Honestly I worked 40 hours on paper, off paper like 60. It was crazy. Starting was always the same, but it's just that there could be like website crashes that you have to fix it or you can't leave customers unhappy but obviously there was no pressure, like to be exactly at 9 o'clock on time at work. There was never pressure like that so it's like if you work later you can come in later. There was no pressure with that.

Former ALMP Intern, IRS firm Web Designer, 2016

Similar to the IRM firm, for the web designer job, overtime could be recuperated through flexible entry and exit time, but no formal policy existed to facilitate flexi-time accumulation for the job. In addition, it appears in practice the web designer job's weekly working hours were often above even the national statutory maximum hourly work week. This reflects perhaps the difficulty to actually monitor working time arrangements within the firm, particularly informal working arrangements that may not be documented. Overall, in the case of the web designer job, flexible working time is tipped in favor of the IRS firm given that the employee has relatively little control and discretion over the mechanism that determines when and how overtime will be compensated.

For the sales, marketing and technical support job recruited through ALMPs, overtime was a less prominent feature, mainly because the job was not so closely tied to customer demand. Even the sales dimension of the job was not linked to the amount of commission (pay), thus deterring possible overtime to meet sales targets. However, some overtime could be captured in the frequent travel required for trainings with clients through the job.

I don't do overtime. I travel a bit. I travel quite a lot doing training and stuff like that. I see that as a perk more than anything. I end up working less but I guess I get trains and stuff like that so I might be longer days I suppose but I am the ones who decides them anyway because I am the one you know who is going to be

training with a client or trying to do a sales pitch or something like that. It's not like he send me out.

Former ALMP Intern, SPS firm sales, marketing and technical support, 2016

Interestingly, the former ALMP intern regarded this as 'voluntary' overtime which he could exercise his own discretion over. However, this overtime clearly provides possibilities for the firm to adjust working time according to production demands. In addition, as already mentioned, the lack of a control over rest time compensation in the IRS firm meant overtime was not balanced with combination security. In summary, a balance of working time quality through working time flexibility and combination security was not found given the extensive use of overtime in the web designer job and the lack of employer discretion over compensation for overtime in the web designer and sales, marketing and technical support job.

### Spanish ICT firms

In Spain, working time is established through collective agreements within the framework of statutes on maximum working hours. The Worker's Statute (2015) establishes a 40 hour work week, but in 2016 on average individuals worked 41.2 hours per week, slightly below the EU-28 average (41.4) and above the Irish average (40.5) (Eurostat 2016). Within Spain, the 40 hour work week average can be computed annually, with firms able to irregularly distribute hours throughout the year for 10% of the work day. It also regulates a maximum nine hour work day (unless a collective agreement or agreement between the firm and worker's representatives specifies otherwise), night work, shift work, and rest time. Overtime is restricted to 80 hours per year, but excludes overtime compensated with rest time. In addition, the Worker's Statute establishes regulation which explicitly promotes opportunities for combination security, including family and holiday leave, sick leave, maternity/paternity leave and leave to care for a family member. The Worker's Statute encourages improvements through collective agreement on working time. However, Ibsen and Mailand (2009) argue that historically collective agreements have played a larger role in addressing issues of flexible working time, than in providing combination security clauses.

Therefore, balances of flexicurity among the Spanish ICT firm case studies may be expected to be provided through formal regulatory features of collective agreement and formal and informal firm policy and practice.

The ICT collective agreement provides little improvement to the National Worker's Statute on the quality of working time, with a great deal of the ICT collective agreement clauses on working time simply referring back to the statute. Deviations from statute include regulation surrounding the number of working hours per year (1,808), 23 (as opposed to 22) vacation days per year, and compressed working weeks during some months to enable shorter work weeks during other periods of the year, particularly the summer months. Overtime compensation through pay or rest time was not a feature of the collective agreement. Indeed, the lack of clearly articulated clauses surrounding working time has been a frequent area of disagreement which has contributed to the inability of social partners to agree on a new collective agreement (Trade Union Representative 1, CCOO, 2015). Therefore, within the SPL firm, working time was primarily regulated according to the Worker's Statute and/or firm formal or informal policy.

Within the SPL firm, the weekly work week is set at 40 hours, the fixed statutory maximum. The SPL firm also had flexible working hours, provided for combination security for the jobs recruited for through ALMPs enabling flexible entry and exit times, as well as the ability to adjust schedules for personal needs to potentially maintain a better Work Life Balance (WLB). In addition, SPL firm policy provided 'intensive Fridays' (i.e. a compressed working day) for all employees to depart early on Fridays. However, in terms of working time flexibility overtime was a frequent feature in the job (primarily HR jobs) recruited for through ALMPs. This was related to the nature of the job which required adapting working schedules to interview potential candidates.

Officially, we work 40 hours [a week] but it is true that in our work we have to sacrifice a bit because we have to adapt a lot to people's hours for those who come to do an interview because the interviews often happen between 18:30 and 19:00 in the evening, so that makes you have to stay until 20:00 or 20:30. Then you end up working more hours than normal. The normal working day is to enter at 9 and leave at 18:30 because many times we leave at 20:30 which are two hours overtime. It is also true that here it is very flexible in the sense that I can go for coffee, you know? We do not have to be working all the time. There is

a great deal of flexibility, but well, we work more hours than what is required, except for the Fridays; those are sacred to me. I leave at 2 o'clock, but the rest of the days are normally late.

Former ALMP Intern, Talent Acquisition, SPL firm, 2016

Weekend work was the only financial compensation the SPL firm offered. Given that overtime was only a feature of the *current* talent acquisition job during the working week; this firm policy was not as relevant. Instead, similar to the Irish ICT firms, overtime was compensated through a rather informal system of rest time enabling employees to take 'extended coffee breaks' occasionally. Given that no formal policy exists in the SPL firm to guarantee employee control over compensation for overtime, this cannot be considered a contribution to combination security. Similarly, it appears in practice that the lack of a clear system of compensation for overtime within the *current* talent acquisition job also results in excessive hours beyond the 40 hour work week. Therefore, a balance of working time quality through working time flexibility and combination security cannot be determined in the *current* talent acquisition job.

While the working time did not vary for the *initial* talent acquisition job recruited, initially recruited via an internship contract and a series of short-term temporary contracts, Spanish legislation and the EU directive on TAW (European Council and Parliament Directive 2008), provides for the differentiated treatment of externalized workers (i.e. outsourced/contracted) *within* the statutory framework of collective agreements for working time. Within Spain working time falls under the national TAW collective agreement, and not the sectoral agreement of the place of work. However, despite this discrepancy between collective agreements no variation in practice was found among the working time arrangement between the *initial* and *permanent* talent acquisition job. Therefore, the *initial* talent acquisition job was not found to have a balanced flexicurity outcome for working time quality.

Compared to the SPL firm's ICT collective agreement, the SPM firm's Non-daily Press collective agreement was far more articulate in providing deviations from the Worker's Statute on quality of working time. Specifically, the working week was limited to 37 hours, with only 35 hours per week allowed between June and September and firms

and worker representatives allowed to negotiate the distribution of the missing hours during the rest of the year. It also guaranteed flexible entry and exit times and 24 vacation days, in addition to three extra days paid leave for personal needs and two extra days paid leave prior to Christmas and New Year's. In addition, the collective agreement guaranteed overtime pay equal to the category established in the collective agreement or rest time of 1.25 hours for every overtime hour. Therefore, overall the SPM firm collective agreement provided more opportunities for improving combination security than the SPL firm collective agreement.

The non-daily press collective agreement's broad number of topics concerning working time meant that the SPM firm was legally constrained to balance some types of flexible working time with combination security for the video editing jobs hired through ALMP internships. In addition, the SPM firm also introduced some of its own policies to further facilitate a flexicurity balance through the organization of its employees. Within the SPM firm, the work week was set according to the collective agreement fixed at 37 hours, aside from June to September, which was set at 35 hours. All workers were also provided with flexible entry and exit times, as well as overtime pay and/or rest time. Indeed, given these regulatory features, the SPM firm's collective agreement discouraged overtime and instead chose to reorganize its employees to accommodate peak periods in productivity.

Really little, the frequency of [the working day] does not change much. When we see that there is a team that has been putting in significant overtime, we try to reinforce that team with extra people, because otherwise, we could not do it.

Finance/HR director SPM firm, 2016

The SPM firm also established its own firm policies to facilitate combination security for the video editing jobs recruited through ALMP internships. This included enabling individuals to change working days and work from home to enhance opportunities for WLB.

Well, in [the SPM firm], for example in my department [video editing], and I think it is the same in other departments, I prefer that my, the members of my team if any day they want to stay to work at home, any day they have to leave early

because they need to pick up their child, for whatever reason, they do. For me, I think productivity depends a lot on happiness, right? In [the SPM firm] I think we count on that, the flexible time. Hey well look if ... you cannot work on a Friday and you want to change it for Saturday, or whatever, or ... there is no problem in the end. For us what is important is that people are well, and that this is reflected in the productivity of the company.

Finance/HR director, SPM firm, 2016

Therefore, while some of the opportunities for combination security are clearly enabled through the SPM firm's collective agreement, additional formal and informal firm policies also appear to be embedded within the organization of the SPM firm so as to enhance employer discretion over combination security. In summary, a balanced outcome of working time quality was found for the video editing jobs hired through ALMP internships. This was concluded given the opportunities for balanced win-win pay-offs where length, scheduling and distribution of working time benefited both the SPM firm, as well as the current video editing jobs, thus enhancing working time flexibility and combination security. The SPM firm also relied more than the SPL and Irish ICT firms on organizing its workers around not only the working time restrictions of its collective agreement, but also its own combination security initiatives. This suggests particular constraints can be beneficial for the SPM firm's organization of its workers, as well as may provide justification for further firm level policies in this area.

Similar to the ICT collective agreement, the SPS firm's district retail collective agreement (2014-2015) makes limited reference to working time, with the collective agreement skewed towards repeating the Worker's Statute. Improvements include providing for 31 vacation days, 15 of which must be taken between June and September. In addition, compensated overtime is provided through rest or pecuniary means, defined as 75% of hourly earnings, with Sundays, holidays or later night shifts (after 10pm) set at 150% of hourly earnings. Despite the limited attention the SPS firm's district collective agreement gives to working time quality, a potential balance could be provided through rest time and overtime or working time flexibility and combination security. However, this may vary in actual practice.

For the *current* IT support job recruited through ALMP internships, as well as for other employees, the SPS firm had a 40 hour working week, the maximum established by the Worker's Statute. Combination security was provided through informal firm policy which permitted discretion when attending to personal needs, as well as provided for compensation through pay or rest time. However, overtime was not a consistent feature of the *current* IT support job, with scarce weekly overtime and no weekend overtime. While the *current* IT support job tasks provided customer support for specific software, work was rarely extended beyond the 9 hour work day. Therefore, while the collective agreement facilitates opportunities for combination security and flexible working time for the *current* IT support job, in practice it does not appear that this combination is used by the SPS firm. Therefore, a balanced outcome for flexible and secure jobs on the working time quality dimension is not founded for the *current* IT support job recruited through ALMP internships.

Unlike the SPL firm, given that the *initial* IT support job was via an internal internship contract, the IT job fell under the same collective agreement as the SPS firm's permanent employees. However, the quality of working time did not change between the two contract types for the IT support job. Consequently, the outcome for the *initial* IT support job in terms of working time quality and combination security was the same as the *current* IT support job.

#### **Skills and Discretion**

Skills and discretion refer to the skills required in a job and the level of autonomy afforded to the worker. Increased discretion is often found to be directly linked to high skilled occupations due to workers needing to have the capability to understand labor processes to make decisions related to their work tasks, thus the two are explicitly related (Eurofound 2012a). One of the main ways firms can improve employee skills and discretion is through training and life-long learning which has direct implications for improvements in balancing employment security with functional flexibility.

\*\*Irish ICT firms\*\*

The pervasiveness of technological change in the ICT sector and its growing importance within Ireland means that it increasingly depends on skilled workers. Unfortunately, limited data on training in Irish firms is available. However, between 1999 and 2005 Ireland had the highest increase among the EU-25 in its overall percent spent on labor costs, rising from 1.4% to 1.9% of GDP (CEDEFOP 2010). While this suggests training increases, it says little about the distribution of this training by sector, firm size or training in practice within Irish firms. As noted in Chapter 4, Ireland's continuous vocational training system remains relatively fragmented with funding for continuous training largely derived from state funding bodies or the Irish Employer's association public-private program Skillnets. As noted in Chapter 5, Ireland's ICT sector is also coupled by a skills shortage of high-skilled tech workers within some ICT firms. Irish statutes on continuous training within firms is largely absent; even with issues such as the right to training leave left to employer's discretion. Thus, any opportunities for continuous training to enhance flexicurity balances for skills and discretion would be expected to largely result from firm policy and practice.

Within the IRM firm, training policies to enhance skills and discretion were fairly limited for the *current* system's administrator job recruited through the ALMP internship scheme. While the ALMP internship scheme facilitated entry into a permanent job, formal training from the initialization of the ALMP internship to the time of the interview (almost three years) had consisted of only two short-term networking courses. Indeed, the IRM firm asserted it did not have a great deal of time to invest in training given its position as a 'busy, fast paced' firm and consequently they expected individuals to 'take ownership for their own learning as well.'

We set aside a certain amount of money for training. There is a certain amount of technology conferences, the guys will come here and request when they come up. There are other programs we would run for other groups of people who want to develop their competence across a group of people and beyond that it is more if the employee is interested in something and agrees with their manager, we'll support it.

Human Resource Director, IRM firm, 2016

Despite this training fund, the system's administrator job recruited through ALMP internships was entry-level and low-skilled with limited opportunity for collaborative learning and training primarily based on informal job shadowing guided by a mentor and outside a team based environment. This lack of skill enhancement through formal and informal training opportunities had knock-on effects for discretion as well. While the IRM firm permitted the management of day-to-day tasks, there appeared to be a lack of trust in the former ALMP intern's decision making and problem solving capabilities.

Prior to November I was basically the only person in my department. I was a one man team if you like and I mean a lot of the proposals I have put forward they didn't really get taken on board and then we took on a new guy and whenever he came through he sort of reviewed the suggestions that I had made and the majority got put through on the recommendation of somebody else so I mean think that could be anything. That could be purely my performance or it could be the internship thing. Yeah I suppose as far as you know I would say my work carries more weight now after a couple of years. I think that is more that I have proven that I know the systems better than anyone else. At the same time, I think if it was just my word I don't think you would get the full back of the parties I suppose.

Former ALMP intern, IRM firm System's Administrator, 2016

The lack of a high degree of training for the *current* system's administrator job meant limited high level skill development which in turn inhibited the ability of the individual to take on a wide range of tasks and skills. Therefore, opportunities for functional flexibility were absent. The ALMP intern also lacked a formal post-secondary level qualification. Consequently, this lack of qualification combined with limited skill development meant employability was not significantly enhanced, particularly to access jobs in the high-skilled ICT sector. Therefore, employment security was not a feature of the *current* system's administrator job. Indeed, the IRM firm asserted that individuals lacking a third level qualification would generally not be employable in the firm.

I mean we would always look at experience but you would look at education. I mean even for commercial roles, you look at experience and as long as you went back as long as they had third level qualification they would make it through but if they didn't have third level qualification, they would probably be put in the bin pile.

Human Resource Director, IRM firm, 2016

This supports the finding that graduate qualifications are valued more than work experience and thus the lack of a graduate qualification results in barriers for work-to-work transitions. While existing research has found that larger firms and firms with higher proportions of highly educated workers are more likely to provide training (Lynch and Black 1995; Castany 2008), it also has found that employer sponsored training is highly selective with those with higher skills and educational qualifications more likely to participate in training (Lynch 1994; OECD 1999; O'Connell 2002). Therefore, despite evidence of high degrees of training among other jobs within the firm, the ALMP internship appears to be used to recruit for jobs that require lower levels of training. This questions the extent to which ALMPs are actually contributing to overall upskilling within the IRM firm. Overall, the absence of employment security and functional flexibility within the system's administrator job does not provide any opportunity for flexicurity balances so as to improve skills and discretion.

In terms of the *initial* job, no large differences were found in the degree of *initial* versus *current* training offered through the job. Given the high levels of external numerical flexibility provided for both permanent and temporary contracts in Ireland, severance costs and possibilities for redundancy did not vary by contract type. The degree of training offered to improve skills and discretion did not change significantly between the *initial* and *current* system's administrator job, therefore firm policies to consistently enhance employability were unfounded in the *initial* job. As already argued the lack of a third level qualification further compromises the employability. Therefore, this leads to the conclusion that for the *initial* job, a high degree of numerical flexibility existed along with lower levels of employment security, thus not providing possibilities for a flexicurity balance for the skills and discretion job.

Within the IRS firm, training policies to develop skills and discretion were a consistent feature of the *current* sales, marketing and technical support and web designer jobs recruited through ALMP internships. As a small firm, the IRS firm placed more emphasis on training policies that consisted of on-the-job learning and self-directed-learning with extensive opportunities for collaborative learning, given the relatively flat structure and

the informal learning environment of the IRS firm. This high degree of skill development was coupled with high levels of discretion.

Both *current* marketing and technical support and web designer jobs involved high levels of autonomous decision making in their everyday tasks and required the ability to take on a wide range of tasks. Indeed, the *current* sales, marketing and technical support job had a relatively high level of autonomy.

Umm...9 out of 10 [for autonomy in my job]. Yeah. [Tim] is not the very autocratic kind of boss. He's laissez-faire and the two of us have very similar personalities so I think he lets me get on with what I like most of the time.

Former ALMP Intern 1, IRS firm Sales, Marketing and Technical support, 2016

While all of the individuals recruited through ALMP internships had third level qualifications, the managing director asserted that while he valued third level qualifications, he also valued individuals that could manage a range of tasks and were not 'pigeon holed' into one area of expertise. This reflects the high value the IRS firm placed on functional flexibility, not only within the *current* jobs recruited through ALMPs, all of the IRS firm's jobs. Overall, within the IRS firm, high degrees of functional flexibility can be observed, given that high levels of informal training enabled the IRS firm to more easily shift workers between functions and work areas. Functional flexibility was balanced with enhancements in employment security for the jobs, with increased employability provided through the high degree of in-work training and skill development. Therefore, a win-win pay off that increases functional flexibility and employment security for a higher degree of skills and discretion within the *current* jobs recruited through ALMPs is found within the IRS firm.

## Spanish ICT firms

Between 2005 and 2010, the percentage of Spanish firms participating in continuous vocational training rose significantly from 47% to 75% (Eurostat 2014d), well above the EU-28 average of 66%. Interestingly, one of the largest increases was among small firms, increasing from 43% to 72% between 2005 and 2010, above the EU-28 average for small firms of 63% (Eurostat 2014e).

However, as already observed in Chapter 4 and 5, Spanish firms tend to invest in mandatory workplace training and collective agreements tend to narrowly address training. The pervasive influence of the Spanish state 'crowds out' training issues in the collective bargaining agenda. Social partners also recognize other venues for involvement through the state supported continuous training and sectoral training funds (Ibsen and Mailand 2009). This lack of strong institutions to support diverse types of firm training is further hindered by the bureaucracy to access state training funds and the particular courses on offer, which are often not fitting to firms production needs. Therefore, in the absence of strong institutional training supports, enhancements in skills and discretion within the Spanish ICT firms would be expected to be primarily developed through formal and informal firm training policy.

To recap from Chapter 4, the Spanish Worker's Statute gives permission for workers to adapt work schedules for accredited academic and professional training and examinations, as well as provides for firms to fund training when firms upgrade occupational responsibilities and tasks. In addition, all firms must provide 20 hours annual paid leave for continuous professional training, which is linked to the occupational tasks developed through a firm or collective agreement training plan. All of these minimal rights to training are explicitly stated to be provided through collective bargaining and/or a firm level training plan, thus illustrating the extent to which the Spanish state encourages the institutionalization of training through collective bargaining.

The SPL firm's ICT collective agreement provided almost no training clauses to enhance skills and discretion for the current talent acquisition job recruited through ALMPs. Exceptions are clauses to for annual training fund (€218.10) for each employee and the work council's ability to assess the quality of training centres and any internal training. While the SPL firm has a work council, as was already argued in Chapter 4, the work council plays a limited role in training. This further illustrates the point that while institutional supports exist to enhance training in Spain they remain weak in their ability to articulate and influence job quality issues such as training at the firm level.

For the *current* talent acquisition job recruited through ALMPs, the SPL firm provided a number of professional and project development training workshops, as well as 'branding' training. While some training was restricted to particular professional 'families' of occupations (i.e. Corporate, Data, etc.), training opportunities were consistently a feature of the *current* talent acquisition job. In addition, to the annual training fund of €218.10 guaranteed through the ICT collective agreement, the SPL firm provided a co-financing scheme of 700 euros per year to voluntarily undertake certified training courses outside the working day related to the job (i.e. English, IT, etc.). Additional, training could also be requested by the SPL firm employees through their managers. This high degree of diverse training was coupled with high degrees of discretion provided for in the *current* talent acquisition job's day-to-day tasks.

We are very autonomous in our work. They tell us the vacancies we have, and you organize your work, because you manage the whole cycle of the selection process. As a consequence we have a lot of responsibility for the decisions that we make.

Former ALMP intern, SPL firm Talent Acquisition, 2016

Overall, the ICT collective agreement and Worker's Statute played little role in the development of training to enhance skills and discretion in the firm for the *current* talent acquisition job recruited through ALMPs. Instead, in the absence of strong institutional supports, the SPL firm's own training policies and organization of its workers play a more important role in explaining how the degree of skills and discretion are enhanced in practice. Therefore, it can be concluded that within the SPL firm high degrees of functional flexibility exist which enable the firm to easily shift workers between functions with high levels of responsibility. The high degree of in work training and formal training is also conducive to enhancing the employability for the *current* talent acquisition job given it guarantees the consistent acquisition of skills to improve job transitions and the certainty of remaining employed, even if not necessarily within the same firm. Therefore, a win-win pay-off is found given the increases in functional flexibility and employment security for skills and discretion within the *current* talent acquisition job within the SPL firm.

For the initial talent acquisition job recruited through ALMPs, some training restrictions existed given the nature of the contract, temporary and externalized through TAW. Because the initial talent acquisition job was externalized it did not fall under the ICT collective agreement. Therefore, access to the €218.10 annual training fund was prohibited. In addition, the SPL firm did not give external workers the ability to request specific training from managers or use the annual €700 individual training fund. Therefore, the lack of access to training funds meant additional skill development for the job was limited, thus the job did not provide for as high levels to enhance employability for employment security. The high level of external numerical flexibility through externalized temporary contracts also meant that hiring and firing was not as costly for the SPL firm during the initial talent acquisition job. This limited training for the initial talent acquisition job supports existing research which asserts that firms tend to invest less in training temporary workers (Arulampam and Booth 1998). However, ALMP internships are classified as a type of ALMP training which means they should provide access to more, not less training, particularly upon recruitment. Therefore, this questions the extent to which ALMPs actually are providing a mechanism for upskilling within the firm, at least upon initial recruitment. In summary, for the initial talent acquisition job recruited through ALMPs no flexicurity balance is found between numerical flexibility and employment security through the acquisition of increases in skills and discretion.

The SPM firm's national non-daily press collective agreement also provides few clauses on continuous training to enhance skills and discretion for the video editing jobs recruited through ALMPs. Exceptions are paid courses to upskill a job in 'new technology' during or outside work and also a clause requiring a firm's work council to be informed of firm training plans. Given the absence of a work council within the SPM firm, the last clause is not applicable. Therefore, similar to the other Spanish ICT firms, training to enhance skills and discretion would be expected to originate from the SPM firm's formal and informal training policies.

For the *current* video editing jobs recruited through ALMP internships, the SPM firm adopted a mixture of on-the-job and formal training. Training consisted of job shadowing with formal paid in-firm training courses (i.e. Microsoft Office, Office

Automation, English) and external (i.e. Master degrees) training opportunities. Informal skill development was also achieved through the organization of the video editing jobs in teams which was conducive to a collaborative learning environment. The high level of skill development and collaborative learnings for the video editing jobs also was conducive to high degrees of discretion and autonomy in day to day tasks, including issues such as working schedules, more closely related to the quality of working time. These high degrees of training and discretion were not unique to just the video editing jobs, but were common features of all workers within the SPM firm. Overall, a move in the direction of enhancing functional flexibility is found for the video editing jobs, given the high levels of informal and formal training embedded in collaborative learning environments which in turn are conducive to high levels of autonomy and skill development. Employment security was also enhanced given the potential for the skills acquired in the video editing jobs to enhance future employability. Therefore, a winwin pay-off is found given the increases in functional flexibility and employment security for skills and discretion within the ALMP jobs within the SPM firm.

The SPS firm's district retail collective agreement does not provide any clauses on training. Therefore, any training would be expected to be developed through SPS firm level policy and practice. Similar to the IRS firm, as a small firm, the SPS firm relied primarily on informal training strategies derived through on-the-job learning and self-directed-learning to enhance opportunities for skill development and increase discretion of work tasks. Specifically, training for employees hired through ALMPs consisted primarily of job shadowing, with some external, formal training (i.e. customer services course). The SPS firm's relatively flat structure also promoted consistent collaborative learning processes among all occupations, thus resulting in new skills being acquired that could potentially be transferred between different work areas.

Obviously working as a team is important in a small company because you also have to appreciate when someone has made a mistake, in a good and constructive way because if not, the person does not improve. If not, people do not grow.

Managing Director, SPS firm, 2016

This method of training and learning was simultaneously linked to increased discretion in the IT support job, with the former ALMP intern having the autonomy to make decisions in day to day tasks. Overall, the SPS firm is found to improve functional flexibility for the IT support job, given its high levels of training which enabled the SPS firm to more easily shift employees between functions and work areas. Employment security was also enhanced for the IT support job given the potentiality for the skills acquired in the job in the SPS firm to enhance employability. Therefore, a win-win payoff is found given the increases in functional flexibility and employment security for skills and discretion within the *current* IT support job. For the *initial* IT support job, informal and formal training did not vary between the *initial* and *current* job. However, similar to the SPL firm, the IT support job's temporary contract meant it was exposed to high levels of external numerical flexibility, through the lower severance costs for temporary contracts. Therefore, a balance for skills and discretion is not found in the *initial* IT support job.

### **Prospects and Internal Progression**

Prospects and internal progression are defined as the probability the job will continue in future years and one can advance (Eurofound 2012a). While national legislation and collective agreements may indirectly impact prospects and internal progression opportunities (i.e. through national training systems, collective agreement pay structures, etc.), the firm is generally where prospects and internal progression initiatives are developed and put into practice. Prospects and internal progression are also closely related to the skills and discretion dimension of job quality given that skill development and increased discretion may simultaneously lead to increased responsibilities, productivity and promotion opportunities. Therefore, possibilities for flexicurity balances for prospects and progression are closely linked to the job quality dimension skills and discretion. Prospects and internal progression include firm decisions surrounding job security (i.e. quality of contract type and opportunities for advancement) as well as functional flexibility (i.e. transferability between jobs and tasks) and external numerical flexibility (i.e. the ease of hiring and firing and external

job-turnover). Job security and external numerical flexibility would be expected to be inversely related given that opportunities for advancement within the firm would be hindered by high degrees of external numerical flexibility.

The ICT sector is often recognized for its clear progression pathways and advancement prospects (Eurofound 2014). However, opportunities for progression often vary by firm size and contract type. Indeed, internal progression opportunities tend to be less formalized and more dependent on the acquisition of new tasks and responsibilities, as opposed to upward mobility by way of new job titles and salary increases within smaller firms. As was seen in the previous job quality dimensions, particularly in Spain, contract type (i.e. permanent or temporary) also matters, given that opportunities for internal progression may be limited for workers exposed to more flexible working arrangements (Kalleberg 2003). Therefore, different prospects and internal progression opportunities would be expected according to firm size and contract type.

# Irish ICT firms

For the IRM firm's *current* system's administrator job recruited through ALMP internships, primarily informal policies for internal progression were evident. The primary type of internal progression was through salary increases and job title changes. Indeed, at the time of the interview the IRM firm was developing progression pathways for its software development occupation through 'career mapping' to establish a clearer link between progression opportunities and the acquisition of specific skills and competencies.

We try to do it [progress employees] in a number of ways. It is professional in terms of title and salary which is one angle. We also try to encourage individuals to take on other projects and grow their broader skill sets. It is not always about moving upwards. It can be about moving laterally. So it is not always about more money but we do get the question in this market particularly where people come and go well I am now a software developer, how to I become a senior software developer, how do I get more money? And just by having a well-defined career path you can sit down with somebody and you can go well these are the skills and competencies you need. This is what you would need to do. There is where you are now. This is what you would need to do... so that kind of work helps to facilitate that discussion.

Human Resource Director, IRM firm, 2016

As argued for the skills and discretion job quality dimension, the *current* system's administrator job was relatively isolated from a team based environment with opportunities for skill development limited to primarily job shadowing of the manager. This strategy of organizing work also extended to prospects and internal progression opportunities with promotion opportunities dependent on the manager's discretion. Initially, increased responsibilities in the job were 'flagged' by the manager which led to a salary increase accompanied by a job title change. This could be seen as a compensated trade-off where increases in functional flexibility, such as increased responsibilities and tasks, led to increased job security, or internal progression. However, on-going reviews for internal promotion were limited at the time of the interview due to the manager leaving the firm and not being replaced.

It [the wage increase] was really just my response to the workload and my responsibility had increased and it was flagged by my previous manage, but he left 12-13 months ago and since then the salary stuff has just taken a back seat. Before it would have been my previous manager saying we want this for him. What you are giving him is not the standard rate that people in his position would normally get. Whereas at the moment now I requested a salary review and was prepared for it and they just sort of tell you this is what you are getting.

Former ALMP Intern, System's Administrator, IRM firm, 2016

This perhaps reflects the lower value the IRM firm had for system's administrator job within the overall skill mix of workers, as well as how the absence of a formal promotion process in the IRM firm directly impacts lower-skilled jobs with little autonomy and less opportunities for skill development. Therefore, while internal progression opportunities were evident prior to the breakdown of the management structure, the *current* system's administrator job was not found to offer balances of increases in functional flexibility and job security so as to enhance opportunities for prospects and internal progression.

In terms of the *initial* system's administrator job recruited via a temporary contract in the IRM firm, internal progression and prospects did not vary significantly. However,

the IRM firm's *initial* decision to use a temporary contract for 2 years and 4 months lengthened the progression ladder for promotion opportunities (i.e. transition from a temporary to a permanent job). Creating an additional step on the ladder, further reflects the lower value of the job in the firms overall production strategy, particularly when considering the lower percentage of temporary workers within Ireland. Indeed, the IRM firm decided to use a temporary contract to assess whether the former system's administrator was 'capable enough' to be hired onto a permanent contract. The high degree of external numerical flexibility afforded to the temporary contract was also not compensated with increases in job security given the limited access to internal progression opportunities. Therefore, this leads to the conclusion that for the *initial* job a high degree of numerical flexibility existed along with low levels of employment and job security, thus not providing possibilities for a flexicurity balance for prospects and internal progression.

For the *current* marketing and technical support and web designer jobs in the IRS firm, prospects and internal progression primarily consisted of responsibility and salary increases. The flat structure of the IRS firm meant upward internal progression was limited and internal progression pathways were informal. However, the flatter structure also meant consistent and daily interactions between the workers and the managing director with ongoing reviews for promotions.

The guy in here we hired [the former ALMP intern] later on, when he was hired he was hired on 22 grand and now he is on 30 grand. Now it's not a big increase but he has moved up and was given some additional commemoration and based upon his weight overall in the company.

Managing Director, IRS firm, 2016

Therefore, the *current* marketing and technical support and web designer jobs were both found to offer increases in functional flexibility and job security, particularly given the increases in responsibilities and tasks which enhanced opportunities for career prospects. Overall, a win-win pay-off is found given that functional flexibility and job security created advantages for the IRS firm to increase the amount and variety of tasks and responsibilities of the *current* jobs while also providing for enhancements in

employability. In short- evidence was found for a flexicurity balance for the skills and discretion of both of the *current* jobs recruited through ALMPs.

Unlike the IRM firm, for the *initial* marketing and technical support and web designer jobs the IRS firm did not recruit via temporary contracts. Therefore, this meant that the progression ladder for these jobs was shorter when compared to the other Irish and Spanish ICT firms, thus contributing to fewer divisions among workers and a flatter management structure within the firm. Thus, the IRS firm clearly uses ALMPs as a strategy to mitigate firm recruitment risks, while also providing for balanced outcomes for internal progression and career prospects upon recruitment from ALMPs.

# Spanish ICT firms

The Spanish Worker's Statute provides limited regulation on internal promotion and prospects. It establishes that merit, work experience and qualifications must be taken into account for promotion opportunities and protects workers from discrimination for promotion opportunities. Accordingly, it would be expected that internal promotion and prospect would be more common through collective agreements and formal or informal firm policy.

The ICT collective agreement only provided for the limited enhancement of internal promotion or prospects, with one clause that simply reproduced the Spanish Worker's Statute (2015). Therefore, within the SPL firm, prospects and internal progression are largely established at the firm level. For the *current* talent acquisition job recruited through ALMPs, highly developed and formal internal progression pathways were evident. Within the ten professional families of the firm (i.e. Corporate, Project Developers, Data, etc.) each job was allocated a certain occupational level, ranging from 1-7, 1 for entry-level jobs and 7 for executive directors. Employees were assessed annually for promotion opportunities, with promotion based on the achievement of goals, including training and performance goals, established the previous year.

Every year an internal evaluation is done by different project managers. We also have a mentor there because it is good for them to be there to advise resolve any concerns we have for professional development and training. This is where other evaluations are also done, and it is decided if that person will be promoted, yes or no. With the mentor we set the individual training each year, which are taken

into account when the person is assessed [for promotion], and we set goals and design the career plan and the training that must be done to achieve those goals.

HR Specialist, SPL firm, 2016

The *current* talent acquisition job had been promoted from level 1 to level 2. A bonus was also awarded, but this was in *initial* stages of the talent acquisition job when it was temporary and externalized through a TAW, and as argued in the section on earnings was used to compensate already low earnings. Promotion was largely dependent on meeting the objectives set annually, undertaking increased responsibilities and complex tasks, acquiring additional skills through training, soft skills (i.e. attitude, motivation) and seniority. Therefore, the *current* talent acquisition job was found to provide increases in functional flexibility through increases in training, responsibility and tasks undertaken which in turn contributed positively to job and employment security. A win-win pay-off is found given the flexibility provide for the SPL firm to increase the workload and responsibilities among the *current* talent acquisition job which is balanced with internal promotion opportunities and increased employability in the wider labor market.

For the *initial* talent acquisition job, some opportunities for internal progression, such as the financial bonus were used. However, as already argued in the earnings section, this was used to increase already low base earnings. Indeed, the SPL firm's use of temporary contracts through a Temporary Agency over the course of two years and seven months increased the ladder towards a secure job. Indeed, as was already argued, this flexible pathway also inhibited access to some types of training, thus mitigating some opportunities for internal progression. Thus, similar to other job quality dimensions for the talent acquisition job, the SPL firm is characterized by a hiring strategy which initially perpetuates job insecurity and increases the propensity towards external numerical flexibility with contract quality playing a key role. Again, this precarious pathway towards a permanent job suggests the SPL firm, at least initially, uses ALMP internships as a recruitment strategy to provide a readily available flexible workforce which can be adjusted to changes in market demand, as opposed to a strategy for upskilling. Overall, the *initial* talent acquisition job was found to not

contribute to job security given the high degree of numerical flexibility provided through externalized temporary contracts.

The SPM firm's non-daily press collective agreement is unique, particularly in the Spanish context, in that it addresses prospects and internal progression extensively. This also includes specific reference to ensure equal access for internal progression to vacancies for temporary workers. Specifically, the non-daily press collective agreement specifies that worker's representatives must be informed of any firm vacancies and contracting models. All vacancies must also be published internally and specify the terms, conditions and area of occupational section in the collective agreement. In addition, the most senior worker on a temporary contract in each section must be given preference to any vacancies that arise. Promotions into a new job or substitution also require individuals to undergo an aptitude test. Therefore, the non-daily press collective agreement, similar to other job quality dimensions, appears to provide particular capacity for the SPM firm to develop clear pathways for internal progression and prospects. Consequently, the SPM firm would be expected to integrate the ICT collective agreement clauses into any of its own firm policies on internal progression and prospects.

Within the *current* video editing jobs recruited through ALMPs, informal pathways for internal progression and prospects were evident. For the *current* video editing jobs, the main types of promotions were shifts in job titles and salary increases, mainly determined through increases in responsibility and training undertaken. Similar to the IRM firm, the SPM firm was in the process of developing a formal internal promotion strategy, given the rapid expansion of the firm size from a small to medium firm. Indeed, the SPM firm asserted that it had plans to continue expanding significantly in the next two years, and wanted individuals to perceive the firm as a place where they could have a career, while also mould to the firm culture.

Every new person has to be trained. We have to mold them to the company culture and the way we work. We believe that one of our most attractive aspects is for individuals to feel they can make a career in [the SPM firm].

Finance/HR Director, SPM firm, 2016

Therefore, for the *current* video editing jobs recruited through ALMP internships an increase in functional flexibility was found given the increases in training and tasks undertaken which contributed positively towards enhancing job and employment security. Therefore, a win-win pay off exists given the increased degrees of functional flexibility and job security provided for both the firm and the video editing jobs recruited through ALMPs.

One of the *initial* recruitment strategies for video editing jobs was via a temporary internship contract. While the non-daily press collective agreement provided for temporary workers to have equal access to new jobs that arose, the high level of external numerical flexibility linked to temporary contracts undermined this potential job security. Indeed, though the *initial* video editing jobs were recruited for internalized, six month temporary internship contracts, the contracts still had a high degree of numerical flexibility given the ease of hiring and firing under this contract. Consequently, despite the shorter pathway towards a permanent position for the *initial* video editing jobs, this hiring strategy still has high degrees of numerical flexibility which is inversely related to low degrees of job security. Thus, overall no balance of flexicurity is found for prospects and internal progression for the *initial* video editing job.

The SPS firm district retail collective agreement provides limited clauses for prospects and internal progression, with only one clause addressing accession via seniority within certain occupational categories. Therefore, any policies for prospects and internal progression would be expected to originate from formal or informal firm policy.

Within the SPS firm, opportunities for prospects and internal progression were relatively informal. For the *current* IT support job, opportunities for internal progression and prospects consisted of increases in salary and responsibility as well as and expansion of the range of tasks undertaken. This was directly linked to the small firm size where the flatter structure meant that consistent and frequent interactions between managers resulted in ongoing reviews for promotion. The flatter structure of the SPS firm also meant that vertical progression was limited and consequently progression was linked to 'how one worked' and also training opportunities undertaken.

Then you can promote yourself through the level and type of work you do. I mean if [the former intern], for example, now he's starting a course. Now he's doing a communication course. If suddenly tomorrow he starts taking more courses, obviously he is considered for promotion. This is promoted professionally and economically because this has an impact, but apart from this it is difficult to move into a management position because for this to happen the manager would have to leave or we would have to let him go.

Managing Director, SPS firm, 2016

Overall, the *current* IT support job was determined to have higher degrees of functional flexibility due to increases in training and tasks undertaken, which simultaneously enhanced opportunities for job and employment security given the increases provided for employability. Similar to the SPM firm, a possible win-win pay off exists for both the IT support job and the SPS firm to balance functional flexibility and employment and job security to provide for good quality jobs for prospects ad internal progression.

Similar to the IRM, SPL, and SPM firms, the *initial* IT support job was recruited via a temporary contract for one year, thus increasing the progression route towards a permanent contract. Indeed, the contract quality mattered for the *initial* IT support job as it provided for increases in external numerical flexibility and consequently decreases in job security. Consequently, overall the *initial* IT support job is determined to have high levels of external numerical flexibility coupled with low levels of job security, which results in a lack of a balanced flexicurity outcome for prospects and internal progression.

Table 13: Summary of Flexible and Secure Jobs in ICT firms in Ireland and Spain

	IRS firm	IRM firm		SPS firm		SPM firm		SPL firm	
	Perm	Temp	Perm	Temp	Perm	Temp	Perm	Temp	Perm
Earnings	WF	WF, ENF	WF	ENF, WF	WF &	ENF, WF	WF &	ENF,WF	WF

Working Time	WTF	WTF	WTF	-	-	-	WTF	WTF	WTF
Quality							& CS		
Skills and	FF &	-	-	ENF	FF	-	FF &	ENF	FF
Discretion	ES				&ES		ES		&ES
Prospects/	FF &	-	ENF	ENF	ENF	ENF	ENF &	ENF	ENF
Internal	JS				&JS		JS		& JS
Progression									

<sup>\*</sup>ENF (external numerical flexibility), IS (income security), ES (employment security), FF (functional flexibility), WTF (working time flexibility), CS (combination security)

# **Conclusions**

Overall, the SPM firm performed better than the other Spanish and Irish ICT firms in terms of contributing more to the development of flexicurity balances for *current* job quality outcomes through ALMP internships. Undoubtedly, this is attributed to the beneficial constraints provided through the SPM firm's collective agreement which provided a broad scope for the inclusion and regulation of all of the job quality dimensions. However, the other ICT firms also demonstrated evidence for flexicurity balances, in spite of an absence of or weak collective agreements. Unsurprisingly, evidence was not found for flexicurity balances for the ICT firms' *initial* jobs recruited through ALMPs, largely given the highly flexible forms of working conditions that often accompany temporary contracts. However, the examination of *initial* contracts is useful as it sheds light on how the ICT firms used ALMP internships to recruit labor through the adoption of differing hiring trajectories.

In terms of earnings, the Irish ICT sector was found to have a much higher level of average earnings within the sector, and lower wage penalties for individuals below 30 years old. In addition, the Irish national minimum wage provided for a much higher wage floor than the Spanish national minimum wage. Spanish legislation also enabled firms to pay rates below the minimum wage rates through the IPREM wage and through internship contracts. Thus, overall it was argued that the Spanish national legislation did not provide for high wage floors, thus stressing the importance of collective

agreements to mitigate downward pressures on wages. In contrast, Ireland's earnings were argued to be highly exposed to fluctuations in firm production needs and market demand. Indeed, an anomaly was found among the level of earnings between the IRS and IRM firms, with relatively little variation despite the clear differences in firm size.

In terms of flexicurity balances for earnings, only two of the Spanish ICT firms, the SPS firm and the SPM firms, were found to couple wage flexibility with income security for the *current* jobs recruited through ALMP internships. Apparent was the influence of both firm's collective agreements to provide a framework for the structure of earnings, as well as the guaranteed income supplements for the jobs recruited through ALMPs. In practice, the SPS firm increased earnings beyond the collective agreement demarcations (i.e. beyond the education demarcations) so as to adapt to the firm's particular geographic constraints and increase employee performance. Within the SPM firm, wage flexibility was primarily facilitated through the SPM collective agreement which provided for overtime compensation, as well as wage flexibility according to educational qualifications.

For the *initial* jobs recruited through ALMPs, none of the ICT firms were found to provide for balances of wage flexibility and income security. Within Ireland this was largely due to the lack of strong institutional constraints beyond the minimum wage on income security among the jobs recruited through ALMPs, thus rendering them highly dependent on the firm production and market demands. In contrast, within the Spanish ICT firms, Spanish legislation provides for high levels of external numerical flexibility for temporary contracts thus mitigating possibilities for income security for the *initial* job earnings recruited through ALMP internships.

For working time quality, only the SPM firm was found to balance working time flexibility with combination security for the *current* jobs recruited through ALMP internships. This was largely achieved by a combination of both the SPM firm collective agreement regulations and firm level policies to redistribute working time according to firm and employee discretion. While the SPS firm also provided for balanced outcomes for working time flexibility and combination security primarily through its collective agreement, in practice this balance was not used in the *current* job recruited through

ALMP internships. This confirms Ibsen and Mailand's (2009) assertion that measuring flexicurity balances achieved through collective bargaining may not necessarily reflect flexicurity outcomes in practice within the firm.

Within the IRM, IRS and SPL firms, overtime was a frequent feature, but no constraints were provided by collective agreements or firm level policies to increase employer discretion so as to provide a balance between combination and working time flexibility for the *current* jobs recruited through ALMP internships. Similar to earnings, none of the *initial* temporary jobs recruited through ALMP internships among the Spanish and Irish ICT firms featured flexicurity balances for working time quality, largely related to the lack of variation between working time quality in the temporary jobs versus the permanent jobs.

For the current jobs recruited through ALMP internships, evidence of skills and discretion that represented a move in the direction of balancing employment security with functional flexibility was found within all of the Spanish and Irish ICT firms, except the IRM firm. For the IRM firm, formal training was limited, with learning individualized and collaborative learning through teamwork absent and low levels of individual discretion in daily tasks. Within the IRS, SPS, SPM and SPL firms, formal and informal firm training policies were the primary contributors to balanced outcomes of functional flexibility and employment security. This was not surprising given the limited clauses in the Spanish collective agreements, and the relatively fragmented and weak continuing training institutions within both Ireland and Spain. Therefore, flexicurity balances for skills and discretion among the current jobs recruited through ALMP internships were increasingly related to firm specific training and the organization of labor within the IRS, SPS, SPM and SPL firms. Within the IRM firm, no variation was found for skills and discretion between the *current* and *initial* job recruited through ALMP internships. Among the SPS, SPM and SPL firms the initial temporary jobs recruited through ALMP internships restricted some training for these jobs (in the SPL firm) and all of the initial jobs were exposed to high levels of external numerical flexibility thus limiting employment security.

Finally, a balance of functional flexibility and job quality for prospects and internal progression were found for all of the *current* jobs recruited through ALMP internships, with the exception of the IRM firm. Given the close link between skills and discretion and prospects and internal progression, this identical outcome is not surprising. Similar to the skills and discretion job quality dimension, balances for prospects and internal progression were mainly attributed to formal and informal firm level policies. Only the SPL firm had a detailed and formal promotion process for the job recruited through ALMPs, with clear vertical and horizontal pathways for progression, whereas the SPS, IRS, and SPM firms had relatively informal progression pathways for the jobs recruited through ALMPs.

Through an examination of *initial* internal progression and prospects among the jobs recruited through ALMPs, distinct hiring patterns began to emerge, providing further insight into how the Spanish and Irish ICT firms used ALMPs for recruitment. Within all but the IRS firm, the Spanish and Irish ICT firms chose to add an additional step to the progression ladder by *initially* using a temporary contract. For the IRM firm, this hiring strategy was used to monitor and assess whether the former ALMP intern was capable to perform the tasks of the job, whereas in the SPL firm this hiring strategy was used to cut costs through externalized and temporary contracts. Both the SPL and IRM firms used lengthy progression ladders through temporary contracts following the ALMP internship period, from two years four months (IRM firm) to two years seven months (SPL firm).

Within Chapter 5, it was argued that the IRM and SPL firms only used ALMP internships as a recruitment strategy for mid to lower level jobs with other more direct hiring strategies used for higher level technical jobs. The similar lengthy *initial* internal progression pathways adopted by both these firms through highly flexible contracts, thus supports the conclusion that the IRM and SPL firms use ALMPs as a readily available source of flexible supply of labor among certain occupational segments. Thus, it can be said that the jobs recruited through ALMPs occupy a peripheral position at the point of entry in the IRM and SPL firms.

In comparison, while temporary contracts (i.e. internship contracts) were also used by the SPS and SPM firms to initially hire individuals through ALMPs, progression ladders on temporary contracts were shorter following the internship period, from one year (the SPS firm) to six months (the SPM firm). As argued in Chapter 5, this recruitment pathway was also not used for a particular occupational segment of the firms' workforce, but rather was used for all new workers. Therefore, while these *pathways* through temporary contracts still have high levels of external numerical flexibility; the pathways are less lengthy not segmented by occupation. This suggests that SPS and SPM firms may use ALMPs as a strategy that initially reduces hiring risks, but also enables the expansion of these firms' labor forces. This same conclusion could be applied to the IRS firm, given that the ALMP internship also enabled a reduction in hiring risks, and the expansion of the firm.

These divergent pathways among the two groups of firms draw attention to the literature on the flexible firms, where numerical and functional flexibility may lead to organizational divisions between organizational insiders and outsiders (Kalleberg 2003). It also suggests, particularly in the cases of the SPL firm, that 'good' job quality outcomes may indeed still be achieved for some dimensions despite rather precarious pathways towards these jobs. These organizational features of the ICT firms will be examined further in Chapter 7.

Overall, this chapter has illustrated that broad collective agreements may improve job quality outcomes through ALMPs among the ICT firms, particularly in job quality dimensions such as earnings and working time quality. In contrast, ICT firms lacking collective agreements or with weak collective agreements, were not as heavily constrained by these regulatory mechanisms and consequently any balances of flexicurity for 'good' job quality outcomes through ALMPs were determined primarily by firm production needs and market demands. Therefore, while collective agreements clearly provide beneficial constraints for firm's to enhance particular job quality dimensions, for the majority of the ICT firms, balances of flexicurity did not result from collective agreements, but rather from market and firm driven production strategies. Indeed, when examining the particular pathways the ICT firms adopted, it becomes increasingly apparent that the IRM and SPL firms are using ALMP internships to initially

enhance flexibility among some occupational segments of their labor force. This may suggest that ALMP internships are being used as a flexible source of labor as opposed to a mechanism of recruitment which aims to upskill. Chapter 7 aims to extend the analysis beyond the ICT firm's job quality outcome dimensions to more clearly understand how these *initial* ALMP recruitment pathways manifested in practice within the ICT firms and why these particular recruitment pathways were adopted in the IRM and SPL firms, but not in the IRS, SPS and SPM firms.

# Chapter 7: Segmented and Extended Entry Tournaments through ALMPs

Chapter 6 argued that while collective agreements do provide some beneficial constraints for shaping *current* job quality outcomes (i.e. particularly for earnings and working time quality), the majority of the ICT firms' job quality outcomes result from firm level production strategies and policies. Through an analysis of initial job quality outcomes, as well as the job quality dimension internal progression and prospects, the previous chapter argued that the pathways for recruitment were lengthier among the IRM and SPL firms, thus providing a readily available supply of flexible labor among certain occupational segments within these firms. Indeed, closely mirroring Chapter 5, a distinction was made between the IRM and SPL firms and the IRS, SPS and SPM firms. This chapter aims to add an additional layer of analysis to Chapter 5 and 6, by examining these similar recruitment and training strategies among these two groups of Spanish and Irish ICT firms, while also considering the dynamics of the internal recruitment pathways or 'entry tournaments.' Specifically, this chapter aims to explain why these entry tournaments were adopted using ALMP internships and the extent to which the intersection of institutions and firm level features explains the two groups of ICT firms' distinct pathways.

First, the segmented and extended entry tournaments among the IRM and SPL firms and the unsegmented and shorter entry tournaments among the SPM, SPS and IRS firms are examined. Second, the intersection of Ireland and Spain's industrial relations systems and education and training systems are examined for their impact on the specific entry tournaments adopted among the two groups of Irish and Spanish ICT firms. Last, three firm level features are argued to occupy increased importance in the context of uncoordinated and fragmented national Spanish and Irish institutions, particularly for explaining the segmented and extended entry tournaments adopted among the SPL and IRM firms and the unsegmented and shorter entry tournaments adopted among the SPM, SPS and IRS firms.

# **Internal Entry Tournaments**

In the Spanish and Irish ICT firms, ALMP internships were used as a flexible recruitment strategy to prolong the probation period and to develop internal extended 'entry tournaments' (Marsden 2010) to recruit new labor market entrants. Specific to the ICT sector is the idea that less institutionally structured and more project-based forms of employment developed in response to industry's need to quickly respond to changing technology, growing needs of production, and service provision (*Ibid*). This argument points to the concept of extended 'entry tournaments', where individuals particularly in the beginning of their careers, are faced with few pre-established structured entry channels. These channels are characterised by competition for occupations among many firms over a much longer time period during which these individuals must acquire skills and develop their necessary networks to shift upwards in terms of job quality. As argued in Chapter 6, these extended entry tournaments are also evident internally in the recruitment behaviour of the Spanish and Irish ICT firms with market and firmdriven production strategies often contributing to varying degrees and durations of flexibility, with evidence of flexible work practices being adopted among particular segments of the workforce in some of the ICT firm case studies while not in others. Recent research within Ireland suggests that within the ICT sector, a sector generally noted for its 'good' jobs, there are two types of work experiences emerging: 1) Those of experienced participants, and 2) New entrants (Wickham and Boback 2016). Wickham and Boback (ibid) argue that experienced workers have more career progression opportunities, higher salaries, and more contract security, given their increased bargaining power on the market. In contrast, new entrants have decreased bargaining power, lower career progression opportunities, and less contract security. In addition, new entrants are also increasingly expected to have particular soft skills in addition to high level technical abilities (Marks and Scholarios 2008). Indeed, Chillas et al. (2015) found that internships among young graduates increasingly are used by ICT firms to assess candidates' soft skills.

Thus, for young workers entering the ICT sector with little work experience, a lengthier and ever shifting employment trajectory may be expected. ALMP internships and other

demand side ALMPs can enable entrance into a firm, particularly in cases where other barriers (i.e. diplomas/degrees, long-term unemployed, etc.) would limit access. However, as was found in Chapter 6, a young person's entrance to employment through an ALMP internship automatically extends the employment trajectory and can delay increases in earnings, career progression, training and opportunities for work life balance. Therefore, all of the Spanish and Irish ICT firms can be said to have extended the entry tournaments for ALMP participants, despite the varying durations. However, Chapter 5 and 6 also argued that the trajectories of these entry tournaments vary by duration with ALMPs adopted for particular occupational segments in some of the Irish and Spanish ICT firms. Thus, the following section aims to examine the underlying dynamics of these entry tournaments, as well as why segmented and lengthy entry tournaments were adopted among the IRM and SPL firms, but not the IRS, SPS and SPM firms.

#### 'Slow' and Unstructured Internal Entry Tournaments

Within the SPL firm, the ALMP internship program was used as a recruitment strategy to extend the entry tournaments for young, new entrants into non-technical occupations, primarily within the corporate occupation family of the firm. In total, the SPL firm recruited four ALMP participants through the ALMP internship program for the midlevel non-technical jobs. The entry tournaments used through ALMPs involved less structured and 'slow' career tracks (Mardsen 2010). For the talent acquisition job a 'slow' career track was used, one that consisted of a university internship, an ALMP internship, temporary contracts and internship contracts through a temporary agency and finally a permanent contract. This entry tournament lasted approximately three years. Accordingly, 'slow' entry tournaments were adopted for the majority of new hires within the Human Resource Department.

The truth is all of my colleagues passed through the same [process], we were interns, later we were outsourced [through a temp agency] and then the company internalized everyone.

Former ALMP intern, Talent Acquisition, SPL firm 2016

Within the SPL firm this was a consistent recruitment model, one primarily used within HR occupations and for other mid-level non-technical jobs. In contrast, this was not used for the technical, upper-level occupations, even for individuals with limited work experience just entering the labor market.

What we do mostly, because [the SPL firm] is an IT consulting firm, we contract many profiles of individuals who studied IT, medium and higher education diplomas and directly contract them from the first moment that the individuals finish their degree or courses and we directly offer them a permanent contract. There are a few cases in the corporate family, like in Human Resources, Marketing or Administration of personnel, finance- in these cases we maybe would offer something with SOC [the Public Employment Service].

HR Director, SPL firm, 2016

Therefore, within the SPL firm, two strands of entry paths are evident: 1) High-skilled technical jobs, characterized by high degrees of security and structured internal career tracks and, 2) Mid/low-level non-technical jobs characterized by high degrees of flexibility and 'slow,' unstructured extended entry tournaments. This first entry path for ICT professionals closely resembles firm based internal labor markets (ILM); characterized by a narrow range of entry paths and a clear career ladder (Marsden 2010). In contrast, the second extended entry tournament is associated with a diversity of career tracks and high levels of competition for occupational entry (*Ibid*). Therefore, within the SPL firm, ALMP internships are argued to be used as a strategy to develop flexible and slow extended entry tournaments among a specific occupational segment of the firm's workforce.

The SPL firm was found to adopt a production strategy that placed high strategic value on particular skill mixes of workers, specifically high-skilled technical workers, a skill mix lacking in the Spanish labor market. This meant that flexibility for workers with less importance and with easier access to available skills, such as in the area of Human Resources, was attained through utilizing more flexible types of work, such as (ALMP) internships, and outsourcing through temporary agencies.

In the IT sector, the profiles that finish their degree, prior to finishing their degree, the majority are already placed [in firms]. It is a market that moves a lot. There is a lot of demand and this is what it does. In our case, we directly contract them with a permanent contract because if we offer them a contract or agreement through SOC [Public Employment Service] or the university, 5 more companies will offer them a permanent contract.

HR Specialist, SPL firm, 2016

The lack of the supply of high-skilled technical labor and the strategic importance of these skills within the SPL firm also meant a great deal of Human Resources was devoted to retention strategies, including international recruitment and even poaching from other firms. Thus, using more flexible entry tournaments, including through ALMP internships, for this segment of the work force was not an option given the strategic importance of these workers to the SPL firm production strategy and the risk of losing the workers to other ICT firms offering higher degrees of job security.

Within the IRM firm, entry tournaments through ALMP internships were not as common, but when they used this recruitment strategy, similar to the SPL firm, it was used for a low-level non-technical occupation that was of less strategic value to the IRM firm's overall production strategy. In total, one individual participated and was recruited through the Irish ALMP internship. The job recruited for through ALMPs did not require a post-secondary educational qualification and thus the low skill level of the job further devalued its importance for the IRM firm in its overall firm skill mix and production strategy. Similar to the SPL firm, the entry tournament used through ALMPs was less structured, flexible, and 'slow.' It consisted of a six month ALMP internship followed by an approximately 2.5 year temporary contract. As Chapter 6 found, this entry tournament represented an anomaly in the firms overall recruitment strategy for high-skilled technical jobs, characterized by 'fast track,' structured and more secure pathways.

It is hugely difficult to recruit because most people that we were offering on the technical side would have two or three offers on the table together so they are all sort of looking at the base salary, they are looking at the benefits, and they can just train one up against the other and that's what happens. It's nuts stuff.

Because high level technical skills were less available in the labor market and were of strategic importance to the IRM firm's production strategy, these jobs were also subject to high turnover and poaching. Therefore, similar to the SPL firm, the IRM firm struggled to retain these workers and committed a great deal of resources towards recruitment, including internationally.

Overall, the IRM and SPL firms appear to adopt medium road production strategies that utilize lengthy entry tournaments through ALMP internships as a way to achieve high degrees of flexibility among particular segments of the workforce. The IRM and SPL firm's reliance on high-skilled technical workers in their wider production strategies and the lack of supply of these workers in the labor market means the firms invest more in 'faster,' secure and structured pathways for these jobs, than the more easily accessible, mid to low level skilled workers attained through ALMP internships. Indeed, Lepak and Snell (2002) assert that the 'uniqueness' of workers' specialized skills in the labor market and the importance of these skills to the firm's overall production strategy create strong incentives for commitment based HR practices to internalize employment and develop high job quality dimensions. In contrast, workers of limited strategic value and uniqueness are more often outsourced or on atypical work contracts, thus fewer incentives exist for the firm to improve job quality for these workers. Therefore, within the IRM and SPL firms, ALMP internships are used to facilitate flexible and segmented internal entry tournaments which are embedded in the particular production strategies of both the IRM and the SPL firms. Thus, ALMP internships enable these firms to continue using medium-road production strategies for particular segments of the workforce. This suggests that these extended internal entry tournaments may have been adopted anyway in the absence of ALMP internships (i.e. deadweight).

#### 'Fast' and Structured Internal Entry Tournaments

Within the SPS firm, the ALMP internship was used as a recruitment strategy to extend the entry tournament for a new entrant for an IT support job. Different from the other Spanish ICT firm case studies was the employer's decision to select the ALMP internship with the obligation to hire the individual following the internship period. This guaranteed further entitlements to particular employment subsidies to supplement training costs and social security reductions and subsidies upon hiring. As already mentioned in Chapter 5, the SPS firm only utilized the ALMP internship once due to the difficulties surrounding the administration of the ALMP internship. While the SPS firm used the ALMP internship to extend the entry tournament, the career track it used was 'faster' and more structured given that it selected to use the hiring subsidy following the ALMP internship. For the IT support job, the entry tournament consisted of a university internship, an ALMP internship, an internship contract and finally a permanent contract, lasting approximately two years. Slight variations of this entry tournament were used for *all* new recruitments, regardless of the skill mix, level or occupational area. Therefore, unlike the IRM and the SPL firms, entry tournaments were not developed according to the uniqueness of the knowledge and specialized skills of the job. Instead, all new employees experienced similar entry tournaments.

Normally they [new employees] are contracted onto a temporary contract if they cannot take on an internship contract because they haven't finished their studies or finished too long ago, we are used to having people on temporary contracts, maximum one year and then we move them to a permanent contract.

Managing Director, SPS firm, 2016

Thus, while these entry tournaments are still flexible, they appear more structured than those of the IRM and SPL firms. Unlike the SPL firm, the SPS firm also did not rely on temporary agency work as a component of its entry tournaments; something that the literature argues is more common in larger firms (De Kok, et al. 2011). Through a mix of temporary contracts and employment incentives, the SPS firm was able to both mitigate the risk associated with hiring costs and establish a flexible, shorter and structured entry tournament. The SPS firm also did not suffer the high-turnover of the SPL and IRM firms and thus the SPS firm's entry tournaments used through ALMP internships were not developed in response to this high turn-over.

Ultimately, the SPS firm sought to attract and retain talent through this recruitment strategy. Indeed, the SPS firm's rural geographical location meant the supply of appropriate candidates was limited, as were the jobs limited for candidates living in this rural location. The SPS firm perceived the mutual commitment between the firm and employee to invest and develop a career within the firm to be an important aspect of its production strategy. The firm perceived the 'mutual commitment' on both sides in combination with its geographical location to be an enabling factor to retain human capital among its employees.

In Barcelona I think we would have non-stop turnover, but here in a city of sixteen thousand inhabitants there is not a lot of work. So it is on both sides. On the one hand firms find it difficult to find workers and workers find it hard to find a job, so when you have more or less a job... we are also aware that for firms it is difficult to find a profile. So no, there is no rotation. Normally the workforce lasts a long time, with new generations [of workers] entering as well.

Managing Director, SPS firm, 2016

Another important factor that led to the development of the firm's similar entry tournament among all of its workers and not just a particular segment of workers was the type of skill mixes it valued for its jobs. As argued in Chapter 6, as a small firm, high levels of functional flexibility were valued among the jobs in the SPS firm, thus the jobs overall were less specialized and required multi-tasking between a wide range of projects and tasks. Thus, functional flexibility was one production strategy the SPS firm used to enhance its resource efficiency.

It is the fruit of the company that we are small and you have to have to adapt to do different things. If you do not, you don't survive either. You cannot have one person for everything.

Managing Director, SPS firm, 2016

The more general skill mix required of the jobs, the flatter managerial structure, rural geographical location and low turn-over meant that SPS firm's resources were not skewed towards the preservation of high-skilled technical occupations. Instead,

adopting flexible entry tournaments were driven by cost savings derived through temporary contracts and employment incentives. Thus, the SPS firm's entry tournament through ALMP internships was part of a production strategy used to mitigate the risk associated with hiring at the point of entry for all occupations. This initial entry tournament then provided the ALMP internship participants access to obtaining work experience in a broad range of projects and tasks.

Compared to the other Irish and Spanish ICT firms, the IRS firm entry tournaments used through ALMP internships involved structured and 'fast' career tracks. While acknowledging the flexible working conditions provided through the ALMP internships, the IRS firm was also the only ICT firm case study that recruited directly onto a permanent contract following the ALMP internships. For the marketing and technical support and web designer jobs, the ALMP entry tournaments ranged from six to nine months, with duration dependent on the production needs of the firm. Similar to the SPS firm, this entry tournament was also adopted for all new recruitments, regardless of the knowledge and specialized skills of the job. As argued in Chapter 5, the IRS firm adopted ALMPs as its primary recruitment strategy, which enabled the IRS firm to mitigate costs associated with training and to prolong the period to test individual performance. While the IRS firm's geographical location did not hinder access to qualified candidates, its ability to attract qualified ICT workers was inhibited given the lower levels of job security (i.e. earnings and progression) the firm could offer compared to other larger ICT firms.

So a lot of the work that we would do, would be problem solving and it would take hours to fix, obviously a person with knowledge and training has the experience to do it quicker, whereas an intern might not be able to. And the journey of actually figuring that out is a journey that they learn and you know whether they go online using google and finding another solution, technical solution. It may take them eight hours, whereas the person who was trained would be able to do it in one hour but you know not with JobBridge. It is not on your time that they are slow, therefore you are not pressuring them to get it done and you know can create a learning environment rather than a pressuring environment.

Managing Director, IRS firm, 2016

As a small firm with a relatively flat managerial structure, the IRS firm also valued a broader skill mix for its jobs. Indeed, as found in Chapter 6, functional flexibility was valued among the SPS firm jobs and enhanced its resource efficiency. Thus, the IRS firm's production strategy centred less on achieving flexibility through fluctuating employment numbers, and more on increasing flexibility through the variety of tasks and activities undertaken by its employees. Outsourcing and other types of atypical contracts, outside the ALMP and university internships, were not part of the IRS firm's strategic production strategy. Similar to the SPS firm, while attaining candidates with the right skill mix was valued; equally important was the development of good working relationships within the firm that led to commitment and mutual investment. Indeed, this was reflected in the former ALMP intern's relationship and commitment to the IRS firm.

Basically what we are trying to do is put a company together. We all have a vested interested in it so that's what, that's our goal.

Former ALMP Intern, Marketing and Technical Support, IRS firm, 2016

Thus, the flatter managerial structure, low turnover and broader skill mixes required for the IRS firm jobs, resulted in an entry tournament that while flexible, was short in duration and oriented towards the recruitment of all new workers as opposed to segments of workers with less unique skills and strategic value. The IRS firm did not skew flexible work patterns unfavourably towards one segment of the workforce (i.e. technical vs. non-technical or high-skilled vs. lower/medium-skilled). Instead, the firm used ALMPs to develop cost-effective entry tournaments which mitigated risks associated with hiring and enabled internalizing ALMP participants following the internship.

Within the last firm, the SPM firm, the ALMP internship program was used as a recruitment strategy to extend the entry tournament for young, new entrants for primarily video editing jobs. The career track was 'slower' than the IRS firm, but 'faster' and more structured than the SPL and IRM firms. The duration of the entry tournaments were approximately one year, through one of the two entry tournaments towards a permanent job: 1) a five month university internship followed by a six month

ALMP internship or, 2) a six month ALMP internship followed by a six month internship contract.

I believe by law someone can do a student internship, then move on to this [the ALMP non-labor internship] in SOC, and even then an internship program [an internship contract] for up to two years and later you have to give them a permanent or temporary contract. I do not know, but in these three processes we only use as many as two. If a person enters [the company] as a student intern and that scholarship or program ends, later we would move them into one of the other two contracts [the ALMP non-labour internship or the internship contract] before they progress into a permanent contract. They will never pass by the three types [of successive internships]. It seems to us that the process then is too long, we lose talent, and it does not accommodate the individual.

Finance/HR Director, SPM firm, 2016

Similar to the IRS and SPS firms, while the entry tournaments used a variety of 'internship' agreements and contracts with flexible working conditions, the duration of the entry tournaments were still short compared to the SPL and the IRM firms. These two strands of entry tournaments were adopted for all new young labor market entrants with little distinction made among different segments and occupational areas of the workforce. Unlike the IRM and SPL firms, the SPM firm relied on more general skill mixes for its media occupations, skills more readily available in the Spanish labor market. The ease of access to these skills and candidates meant that the SPM firm did not suffer high turn-over among specific segments of its workforce due to poaching from other firms. Overall, flexible entry tournaments through 'internships' enabled the SPM firm to cut costs, as well as attract appropriate candidates to the firm. The extended entry tournaments through ALMPs also enabled the SPM firm to be more confident in the quality of their training, not just technical skills, but also more soft skills related to the company culture and methods of working.

...[when] you have a person who is already trained, who knows how we [the firm] workers, knows the firm, knows the culture, knows everything and we know how they work since we have trained them, then the next step forward is an indefinite contract, to do it well, and we trust this way of incorporating people from below and so that they can grow within the company.

Finance/HR Director, SPM firm, 2016

Similar to the IRS and SPS firms, while attaining candidates with the right skill mix was important, the SPM firm valued candidates that understood the firm culture and who wanted to establish a career within the firm. While the rapid expansion of the firm had contributed to a hierarchical managerial structure, as found in Chapter 6, high degrees of functional flexibility in the SPM firm jobs were important aspects of its strategic production strategy. Thus, external flexibility was primarily limited to the entry tournaments, with the SPM firm placing high strategic value on the ability of worker's to multi-task between a variety of projects and tasks. Outsourcing was also not part of the SPM firm's production strategy. Therefore, low turnover and the SPM firm's production strategy that placed strategic value on jobs with high degree of functional flexibility and broad skill mixes, meant that ALMP entry tournaments were shorter in duration and used among all new entrants regardless of their technical specialization or level.

Overall, the SPS, IRS and SPM firms appear to adopt high road production strategies for ALMP internships that utilize shorter entry tournaments through ALMPs to achieve high degrees of flexibility among the majority of the workforce at the point of entry. Unlike the SPM and IRM firms, specialized high-skilled technical workers are not as important in the overall production strategies of the SPS, IRS and SPM firms. Instead, these firms place more strategic value on workers with a broader skill set and high degrees of functional flexibility. The SPS, IRS and SPM firms ultimately sought to extend entry tournaments only in as far as it was still a viable recruitment strategy to attract and retain talent. Indeed, the 'faster' entry tournaments meant that a narrower range of entry pathways existed and entry tournaments were composed of higher degrees of job security. Therefore, while ALMP internships enabled the SPS, IRS and SPM firms to enhance job flexibility at the point of entry, the shorter pathways towards permanent jobs favoured a universal high-road production strategy for not just one segment, but the entire workforce.

This section has argued that the two distinct entry tournaments of the two groups of ICT firms can be linked to two different types of firm production strategies, segmented medium-roads or universal high-roads. Within the IRM and SPM firms, ALMP

internships were used to recruit candidates through 'slow,' unstructured and highly segmented entry tournaments, for low to mid-level jobs that were of less strategic importance to the firms' overall production strategy. Two career tracks exist within these firms: 1) High-skilled technical jobs, characterized by high degrees of security and structured, 'fast' internal career tracks and, 2) Mid/low-level non-technical jobs characterized by high degrees of flexibility and 'slow,' unstructured extended entry tournaments. Importantly, even when former ALMP interns eventually obtain permanent contracts, the permanent contract may not necessarily guarantee 'good' quality job outcomes, as was illustrated in the case of the IRM firm's system's administrator job. This suggests that the ALMP internships within the IRM and SPM firms are used for a peripheral group of workers so as to achieve cost-effectiveness, while providing a buffer for high-skilled technical workers from fluctuations in the market demand.

In comparison the IRS, SPS and IRM firms' entry tournaments through ALMP internships involved structured and 'fast' career tracks at the point of entry for *all* jobs. The low turn-over, the difficulty to attract skilled workers (for the IRS and SPS firms), emphasis on more 'soft skills' and the interest in retaining worker's skills recruited through ALMPs also meant the firms adopted faster career tracks to avoid any potential losses in talent. For the ALMP participants this meant competition into a secure job was over a shorter time period and participants were less at risk of being trapped in 'slow stream' entry tournaments (Marsden 2010). Overall, distinct patterns emerge among the two groups of firms with ALMPs providing a mechanism for 'slow' and segmented entry tournaments in one group of firms and ALMP internships providing a mechanism for 'fast' and unsegmented entry tournaments in the other group of firms. This raises the question as to how the intersection of specific firm level and institutional conditions may constrain shorter and unsegmented entry tournaments in the first group of firms, and in the second group of firms enable lengthy and segmented entry tournaments.

# The Intersection of Institutions and Firm Production Strategies

A consistent argument throughout this thesis has been that Irish and Spanish institutional arrangements provide few mechanisms to enable or constrain particular strategies of engagement and training. Indeed, as the VoC literature suggests, Ireland and Spain are plagued by uncoordinated and fragmented collective bargaining and educational and (vocational) training systems. As argued in Chapter 4, ALMP institutions, particularly the PES, also remain fragmented and weak, which can influence the systematic participation of firms in ALMPs. In this context of rather weak and uncoordinated institutional features, firm level features are argued to occupy an important role in how firms incorporate ALMPs into their overall production strategies. This section aims to examine how the intersection of Irish and Spanish institutions and specific firm production strategies may enable and constraint distinct ALMP entry tournaments among the SPL and IRM firms and the IRS, SPM and SPS firms. Coordinated collective bargaining systems are one institutional arrangement that may enable and constrain particular firm production strategies surrounding job quality and skill acquisition, including through ALMPs and other types of in-firm training (Edlund and Gronlund 2008). In the Spanish and Irish ICT case studies, the collective bargaining systems were found to have a limited impact on firm production strategies to improve job quality and skill acquisition. Indeed, the Spanish industrial relations model remains fragmented and plagued by coordination failures, with social partners consistently reliant on state legislation to regulate working conditions and training. This contributes to stalled and narrow ICT collective agreements that provide limited scope to constrain or enable particular production strategies that encourage skill acquisition through ALMP internships within the Spanish ICT firms. Indeed within Spain, employment protection legislation played a large role in shaping particular production strategies of the ICT firms, particularly the SPL firm's decisions to extend the duration and allocate entry tournaments through ALMP internships among certain parts of its labor force.

Ireland's voluntarism industrial relations model characterized by limited state legal intervention and the absence of collective bargaining in the majority of the ICT sector did not play a large role in shaping the Irish ICT firm production strategies. Instead, the

Irish ICT firm constraints were related to specific production strategies adapted to market conditions. Therefore, the distinctive entry tournaments through ALMPs adopted among the SPL and IRM firms and the IRS, SPS and SPM firms are linked to firm specific features, not the Irish and Spanish collective bargaining systems.

Education and vocational training systems also improve overall and specialized skills in the workforce, as well as provide strong (initial) vocational training (Soskice 1999; Hall and Soskice 2001). Strong and coordinated industrial relations systems discourage poaching and enable educational and vocational training systems to address more firm specific training needs (Ibid). Ireland and Spain were found to have weak vocational training systems and be more dependent on a general education system that relies primarily on technical and university institutions. For the Irish and Spanish ICT firms, skills were derived through the university and/or technical school systems with the Spanish SPL firm providing high levels of upskilling among its high-tech jobs to suit its firm-specific skill needs (Hall and Soskice 2001). Both the Irish and Spanish SPL and IRM firms faced skill shortages for high-tech jobs, thus poaching was a consistent problem among these firms. This supports the existing literature which asserts that while a general education system often enables higher levels of individual mobility between firms and reduces general skill training costs, it also may create a skill shortage for firms that require more specialized or company specific skills (Ibid). Thus, the fragmented industrial relations systems and general education and training systems, enabled lengthy and segmented entry tournaments for the jobs recruited through ALMPs among the SPL and IRM firms. This deficit of high-skilled technical workers enabled the SPL and IRM firms to organize their workers and ALMPs according to the strategic importance of these skills. However, the shortage of high skilled technical workers did not shape ALMP entry tournaments among all ICT firms in the same way, suggesting it is the intersection of firm level features and institutions which either enable or restrict particular ALMP entry tournaments. In other words, not all firms have the same capabilities to pursue high-road or medium-road production strategies even in the context of similar institutional conditions. Accordingly, firm level features are an important dimension within weak institutions.

From the examination of internal entry tournament dynamics, three firm level features can be argued to enable or constrain how the Irish and Spanish ICT firms construct particular entry tournaments through ALMPs: the degree of internationalization, the degree of value firm's attach to human capital (both general and specific), and the scarceness of human capital. One of the distinctions that emerged among the varying entry tournaments used by the two groups of Irish and Spanish ICT firms was the firms' varying degrees of exposure to international competition between the MNC subsidiaries (SPL and IRM firms) and the domestic IRM, SPS and IRS firms. The Irish and Spanish ICT firms also faced varying degrees of skills shortages. However, skills shortages were acute in the SPL and IRM firms, and were coupled with high turn-over. This had a direct impact on how the SPL and IRM firm used ALMP internships to construct segmented and lengthy entry tournaments. The reason for these more acute skills shortages among the SPL and IRM firms compared to the IRM, SPS and IRS firms, despite facing similar institutional conditions, are argued to be explained by the degree of value the firm's attach to different types of human capital. The combination of international competition, skills shortages, and the value attached to different types of human capital, are argued to ultimately enable or constrain employer choices to use ALMP internships for 'slow' and segmented entry tournaments or 'fast' and unsegmented entry tournaments.

The degree of internationalization of the firm often encourages firms to reduce costs and improve resource efficiency in areas that contribute less to a firm's economic performance (Strange 1996). In addition, firms often seek to increase labor flexibility through flexible contracts and outsourcing offshore (Pulignano and Keune 2015). Devaraj and Vigneswara Llavarasan (2014) argue in their case study of two Indian subsidiary firms, that outsourcing off-shore is increasingly apparent within the ICT sector, a trend that can have an impact on the high or low road production strategies adopted by firms. While outsourcing and offshore labor decreases firm costs, it encourages the firm to circumvent national constraints on low-skilled and lower waged labor which further increases the inequalities between high and low skilled workers. While the degree of internationalization has not been examined in relation to how firms engage with ALMP internships, as illustrated in Chapter 2, Bredgard and Halkjæer (2016)

found that the degree of internationalization played a key role in whether Danish firms participated in ALMP wage subsidy schemes, with domestic firms participating more often than foreign firms. Through the examination of ALMP entry tournaments in the Spanish and Irish ICT firms, this thesis found that when MNC subsidiaries and domestic firms *do* participate in ALMPs, different ALMP trajectories emerge, with clear distinctions between the SPS, SPM and IRS domestic firms and the SPL and IRM MNC subsidiary firms. Therefore, the degree of internationalization among the ICT firm case studies is a plausible firm feature which either enables or restrains ALMP led entry tournaments.

The degree of value firm's attach to human capital (both general and specific) and the scarceness of that human capital shape the particular production strategies adopted by firms (Sherer 2011). Value refers to how specific types of human capital are perceived by the firm in its strategy to gain competitive advantage, whereas scarceness refers to the firm's demand for human capital relative to its supply (*Ibid*). These two firm features are linked, given that not all firms value human capital in the same way and skill shortages have varying degrees of importance according to the particular production strategy adopted. Despite an extensive literature on the distinctions between firm-specific and general human capital and its transferability and acquisition, most notably Becker (1964) and Doeringer and Piore (1971), the concept of human capital here is conceptualized as relative and not absolute (Zucker 1988). Thus, human capital is embedded in dynamic institutional and structural contexts. Firms may attach different value to human capital at different points in time, which in turn may coincide or not with particular skill shortages in the labor market. Indeed, among the two groups of ICT firms the degree of value attached to human capital and its scarceness are argued to be important factors which shape the duration and segmentation of the ALMP entry tournaments.

## **ICT firms: Internationalization and Human Capital**

Segmented and Extended Entry Tournaments: IRM and SPM firms

Both the IRM and SPM firms are multinational subsidiaries selling their products on the international market. While the IRM firm was recently acquired by an American MNC firm, the SPM firm has always been a subsidiary of a German MNC firm. Therefore, both firms can be said to have high degrees of internationalization.

Within the IRM firm, the majority of the low-skilled jobs (i.e. customer IT support) are outsourced off-shore (i.e. Philippines), thus providing a strategy to reduce costs and increase resource efficiency. In contrast, while the SPL mother MNC adopts an on-shore/nearshore outsourcing model across three continents, the SPL firm is one of the three main hubs for nearshore outsourcing. Indeed, in 2017 the SPL firm was central to the mother MNC firm's expansion plans, given its 'skilled workers and cheap labor.' Therefore, the SPL firm's position as a subsidiary hub for nearshore outsourcing means high pressures exist to cut costs and maintain a skilled workforce to remain competitive internationally. Thus, while the IRM firm outsources low-skilled labor off-shore as a subsidiary, the SPL firm occupies the position of a near-shore outsourcing post for all skilled workers. However, despite these differing positions in the network of subsidiary firms, both the IRM and the SPL firms place high degrees of value on their high-skilled technical jobs in terms of the overall strategic importance for the firms to achieve a competitive advantage.

The IRM firm's skill mix was concentrated by high-skilled technical jobs specialized in software with few medium to low-skilled jobs. Therefore, the IRM firm had a high degree of value for the high-skilled technical jobs in their overall production strategy. Consequently, resource efficiency could be achieved either through outsourcing jobs off-shore or offering less secure and flexible working conditions for low to medium-skilled jobs. In comparison, the SPL firm had a wider mix of skills within its firm, from low to mid-level administrative jobs to high-skilled software and IT consulting jobs. However, regardless of this mix, the SPL firm still maintained a higher degree of value for its high-skilled technical jobs. Indeed, unlike the IRM firm, the SPL firm's position as

a near-shore outsourcing firm for cheap and skilled labor meant that efforts to improve resource efficiency occurred within the firm itself, as opposed to abroad.

Within both the IRM and the SPL firms, a shortage of a steady supply of human capital for high-skilled technical jobs meant that these skills were perceived as scarce by the firms. This further increased the value the IRM and SPL firms placed on acquiring and retaining this scarce human capital, with both firms exposed to issues of high-turnover and poaching among these high-skilled technical jobs.

To acquire this scarce and valuable human capital, the SPL firm funnelled significant resources towards recruiting internationally, hiring graduates from universities and incentivising experienced high-skilled technical professionals to make a career shift to its firm, with all jobs linked to permanent contracts. For those recent graduates recruited directly from the university and technical institutes, upskilling was also a focus of the firm, with individuals receiving up to three weeks paid certified training (i.e. Java technology) during working hours at a training centre. This was in stark contrast to the medium and low skilled non-technical positions of the firm which were recruited using temporary contracts associated with less secure and flexible job quality.

Within the IRM firm, significant resources were also allocated for the acquisition and retention of the high level technical skills. To acquire and retain these skills, resources concentrated on international recruitment, HR retention strategies, and recruitment through the IRM firm's collaborative university internship program. The IRM firm asserted it preferred to recruit individuals with work experience for these occupations, and thus sought individuals who had already acquired high levels of technical skills readily adaptable to the firm's production needs. Given that Irish legislation provides for similar redundancy costs for temporary and permanent contracts, the majority of the IRM firm's jobs were recruited through permanent contracts, regardless of the skill level. However, the scarcity of the high-skilled technical jobs and the importance of these jobs in the IRM firm's overall production strategy meant that large gaps existed between the earnings in these jobs and other less 'valued' jobs. This was one of the findings in Chapter 6 when examining the range of earnings within the IRM firm, compared to the earnings for the job recruited through ALMP internships.

The high degree of internationalization, the high degree of value attached to high-skilled technical jobs and the scarcity of individuals with these high technical skills in the labor market, meant that the IRM and SPL firms system's administrator job and talent acquisition jobs recruited through ALMPs did not initially have a great deal of value for the firms' overall production strategy. ALMPs were also not considered a viable recruitment strategy for high-skilled technical jobs, given the scarcity of these skills in the labor market. Thus, the IRM and SPL firms' overall production strategy and way of organizing workers was conducive to the extension of the segmented entry tournaments for the jobs hired through ALMPs, jobs that were less valuable and more easily accessible. In turn, this further enabled resources to be diverted towards the recruitment and retention of more valuable and scarce human capital, in this case high-skilled technical workers.

SPS, SPM, and IRS firms: Extended Entry Tournaments

The SPS, SPM and IRS firms are independent, selling most of their products on the domestic market. Therefore, all of these firms have low degrees of internationalization. Off-shore and near-shore outsourcing are not dominant features these firms use to reduce costs and increase resource efficiency. Instead the SPS, SPM and IRS firms rely on cost-effective alternatives domestically, including both internal and external flexibility.

Out of the three firms, the SPS firm was the only firm to outsource work through contracting, albeit to a small number of contractors (i.e. 20 individuals) based within Spain. Indeed, the SPS firm also utilized other cost reduction strategies, including flexible contracts at the point of entry, interfirm collaborative training through various travel associations, and high degrees of internal flexibility among its employees. Though the SPM and IRS firms did not rely on external contractors, similarly the firms also cut costs by enhancing resource efficiency through flexible contracts at the point of entry, as well as enhancing internal flexibility among employees. Unlike the SPL and IRM firms, the divide between high-skilled technical jobs and mid to low level non-technical jobs was not apparent in the IRS, SPS and SPM firms, nor was poaching and high job turn-over an issue among these firms. Indeed, this was linked to the different

skill mixes the IRS, SPS and SPM firms valued as strategic importance for their overall production strategies.

Different from the SPL and IRM firms was the higher degree of value the IRS, SPS and SPM firms placed on broader skill mixes within the firms. While tertiary level educational qualifications were important for all jobs, equally important was the acquisition of 'soft skills' including inside knowledge about the firm organization, understanding particular ways of working, adapting to the firm culture, and building strong interpersonal relationships within the firm. Within all of the firms, flexible entry tournaments provided mechanisms to acquire, train, and evaluate particular skill mixes, while also mitigating training and hiring costs.

Among the SPS and SPM firms, the types and specialization of products and services offered also influenced the types of skills valued for the job. Indeed, the SPM firm focused more heavily on using specialized technology for purposes of journalism and advertisement, whereas the SPS firm primarily provided IT support services and ecommerce products for travel agencies. Thus, neither firm required high-level software engineers. This matters because it creates an environment of decentralized work practice where more fluidity exists between training and contract types for technical and non-technical skilled labor. Though the IRS firm did provide some software development services and products (i.e. web and graphic design) for the real estate industry, it did not limit its flexible entry tournaments to a particular occupational area, thus emphasizing as already argued, the degree of value also placed on particular 'soft skills,' skills that could more easily be assessed in a cost-effective and low-risk manner, through the extended entry tournaments through ALMP internships.

While the IRS and SPS firms did face a scarcity of skill mixes of human capital, the firms did not perceive this was due to a lack of supply in the overall labor market, but rather attributed it to firm specific features, including geographical constraints and limited firm resources (i.e. earnings and progression routes) to attract particular skill mixes. Given the difficulties to attract particular skill mixes as small and/or rural firms, the firms relied on other capabilities to retain human capital including, as already mentioned, 'mutual commitment' and providing a good working environment with high degrees of

internal flexibility. Both firms perceived these firm specific conditions as strengths in deterring high turn-over and poaching. In general, the SPS and IRS firms perceived all types of human capital as scarce and consequently did not organize working conditions around different occupational segments of the workforce.

The SPM firm did not perceive it had a high degree of skill scarcity or issues in attracting the appropriate skilled candidates given its competitive earnings and well-known name in the communications industry. However, as already argued the SPM firm still was careful to not extend the duration of entry tournaments to the point of losing training investments and talent, thus illustrating the importance the SPM firm attached to building particular types of human capital through these flexible entry tournaments as well as its overall strategy to remain competitive in the labor market.

The low degree of internationalization, the high degree of value attached to broader skill mixes across all jobs in all segments of the workforce and the perceived degree of scarcity linked to these broader skill mixes (in the IRS and SPS firms), meant that all of the jobs recruited through ALMPs in the IRS, SPS and SPM firms were perceived as potential value-added to the firms' overall production strategies. Indeed, these broader skill mixes and high levels of internal flexibility were also conducive to enhancing resource efficiency in the flatter managerial structures of the smaller IRS and SPS firms. The lack of extensive offshore and nearshore outsourcing among the workforce also does not increase the divide between working conditions for particular occupation skill levels and specializations. Indeed, the funnelling of resources and particular flexible entry tournaments among certain segments of the workforce was also not evident in the IRS, IRM and SPM firms. Therefore, the IRS, IRM and SPM firms overall production strategy and way of organizing workers restrained the firms from extending entry tournaments for the jobs hired through ALMPs among certain workforce.

### **Conclusions**

This chapter argued that the dynamics of the IRM and SPL firm's segmented-medium road entry tournaments through ALMP internships and the IRS, SPS, and SPM firms'

universal high-road entry tournaments through ALMPs are explained by the intersection of Irish and Spanish ICT sector firm level features and institutions. Firm level features are argued to occupy larger degrees of importance in a context of highly fragmented and uncoordinated industrial relations and educational and training institutions within Ireland and Spain. Indeed, it is argued depending on the Irish and Spanish ICT firms' features, the fragmented and uncoordinated industrial relations institutions can have varying degrees of impact on firm level decisions surrounding the duration and segmentation of ALMP entry tournaments. Specifically, three firm level features were argued to enable or constrain how the Irish and Spanish ICT firms construct particular entry tournaments through ALMP internships: the degree of internationalization, the degree of value firm's attach to human capital (both general and specific,) and the scarceness of human capital.

Among the IRM and SPL firms, the high degree of internationalization increased pressure to mitigate costs to remain competitive in the international market. While the IRM firm's production strategy was one of outsourcing low-skills offshore, the SPL firm occupied the position of a nearshore outsourcing hub and thus cost were adjusted in the firm itself and among certain segments of the workforce. However, despite these pressures to maintain low costs, the IRM and SPL firms also were under pressures to maintain a skilled labor force to have a competitive advantage. Specifically, both the IRM and the SPL firms attached high degrees of value to the high-skilled technical jobs in their overall production strategies. Given the scarcity of this human capital in the Spanish and Irish labor market, the SPL and IRM firms diverted a great deal of resources (i.e. human and financial) towards acquiring skills, thus further increasing the overall value attached to high level technical skills and using less valued skills as a disposable periphery. Indeed, the intersection of these firm level features with weak Spanish and Irish industrial relations systems and the general education and weak vocational training systems creates an environment that enables the high turn-over and poaching of highskilled technical workers among the SPL and IRM firms. Consequently, ALMP internships were not perceived by the SPL and IRM firms as a viable hiring strategy for high-skilled technical workers. Thus, when the SPL and IRM firms used ALMP internships, the ALMP internships were used to recruit for 'less valuable' and easily accessible jobs that played less of central role in the SPL and IRM firms' overall

production strategies. Therefore, these firm level conditions provided an environment that was conducive to adopting more lengthy entry tournaments through ALMPs among certain segments of each firm's labor force.

Among the IRS, SPS and SPM firms, low degrees of internationalization meant that offshore and near-shore outsourcing were not dominant features of these firms with labor cost reductions and resource efficiency acquired domestically through internal and external flexibility. The stark divide between technical jobs and non-technical jobs was also not founded, nor was high job turn-over or poaching an issue within any of these firms. The lack of a divide between the technical and non-technical jobs was argued to be related to the value the IRS, SPS and SPM firms attach to broader skill mixes in their overall production strategies. Indeed, the IRS, SPS and SPM firm's high value for the development and acquisition of 'soft skills,' meant that ALMP entry tournaments were a cost-effective mechanism to evaluate and develop these skills.

Both the IRS and SPS firms faced a scarcity of human capital. Unlike the IRM and SPL firms, the scarcity was related to firm specific features (i.e. geographical constraints and limited resources) which inhibited abilities to attract specific skill mixes. Despite difficulties to attract particular skill mixes, neither firm had low turn-over or suffered from poaching, something they attributed to specific firm capabilities such as providing a good working environment and high degrees of internal flexibility. While the SPM firm was found to not suffer from a high degree of skill scarcity, the firm perceived lengthy entry tournaments through ALMP internships risked losses in valuable training investments and talent, particularly 'soft skills' acquired through the ALMP entry tournaments. While the IRS, SPS and SPM firms were embedded in similar national institutional environments as the SPL and SPM firms, the low degree of internationalization, the high degree of value attached to broader skill mixes across all segments of the workforce, and the scarcity linked to broader skill mixes (in the IRS and SPS firms), provide the conditions to restrain the IRS, SPS and SPM firms from extending entry tournaments for the jobs hired through ALMPs among certain segments of the workforce.

These findings suggest that the Irish and Spanish industrial relations systems and education and training systems provide limited constraints to guarantee shorter and less segmented entry tournaments when recruiting through ALMPs. Instead, restraints for ALMP entry tournaments are dependent on specific combinations of particular structural features of the Spanish and Irish ICT firms to enable shorter and less segmented entry tournaments through ALMPs. In a context, where MNC subsidiary firms, such as the SPL and IRM firms, are increasingly exposed to international pressures to cut labor costs among some segments of the workforce it appears additional institutional constraints would be beneficial. While large shifts in the regulatory features of Ireland and Spain's industrial relations systems and education and training systems in a coordinated manner and at a macro level is difficult (Streeck 1997), smaller policies may be designed, even implicitly, to provide beneficial constraints for the ICT firms.

Indeed, the Spanish ALMP internship program design required a detailed nine month training plan. Within the SPS firm, this constraint enabled the managing director to standardize and consider more long-term training practices, a quality that is often lacking in smaller firms (de Kok et al. 2011). This example suggests even small alterations in the policy design of ALMP internships, as opposed to large national institutional changes, may shift manager's production strategies and also enhance job quality. Thus, despite Ireland and Spain's highly fragmented and weak industrial relations systems and education and training systems, opportunities for beneficial constraints exist. In a context where wider Spanish and Irish institutions have limited impact within the Spanish and Irish ICT firms, reconsidering the design of ALMPs may be a viable strategy to shift employer behaviour.

# **Chapter 8: Conclusion**

This research was interested in understanding how Irish and Spanish ALMP internships facilitate particular job quality outcomes within the Spanish and Irish ICT sector. To answer this question the study required a clear understanding of the key macro and meso institutions within which these ICT firms are embedded as well as the identification of particular mechanisms that enable or constrain firm behaviour surrounding job quality outcomes through ALMPs. An empirical analysis of ICT firms' engagement with ALMP internships, job quality outcomes through ALMP internships, and internal entry tournaments through ALMP internships was conducted within five Irish and Spanish ICT firms. Within each of these analyses chapters distinct research findings moved the thesis towards answering the central research question. Indeed, three key research findings emerge from this thesis.

First, in a context of weak national level institutions, firm features play an increasingly important role in explaining how employers facilitate particular job quality outcomes through ALMP internships within the Spanish and Irish ICT sector. Overall, Ireland and Spain's weak industrial relations systems, fragmented training systems and general education systems place limited constraints on how firms construct flexible and secure job quality outcomes through ALMP internships. While an examination of *current* job quality outcomes through ALMP internships in the IRM firm found that balances of flexible and secure jobs could be attained through broad and detailed collective agreements, the other Spanish and Irish ICT firms were found to either lack collective agreements or have narrow and weak collective agreements. Therefore, for the majority of the Spanish and Irish ICT firms, balances of flexicurity for good quality jobs were concluded to not result from collective agreements, but rather from firm level policies developed according to market and firm driven production needs.

In terms of earnings, only the SPS and SPM firms were found to couple wage flexibility with income security for the *current* job quality outcomes through ALMPs. This flexicurity balance was related to both firms' collective agreements which provided a

framework for the structure of earnings, as well as guaranteed income supplements for the jobs recruited through ALMP internships.

For working time quality, only the SPM firm achieved flexicurity balance for working time flexibility and combination security for the *current* job quality outcomes through ALMP internships. Again, this balance was explained by a combination of the SPM firm's collective agreement and firm level policy which redistributed working time according to firm and employee discretion.

Evidence of skills and discretion that represent a move in the direction of balancing employment/job security with functional flexibility for the *current* job quality outcomes through ALMP internships was found within all of the Spanish and Irish ICT firms, except the IRM firm. However, dissimilar from the other job quality dimensions, these balances are attributed to primarily firm specific formal and informal training and the organization of labor, as opposed to firm collective agreements or continuing training institutions.

Similarly, a move in the direction of balancing functional flexibility with employment/job security for prospects and progression for the *current* job quality outcomes through ALMP internships was also evident in all of the Spanish and Irish ICT firms, but the IRM firm. In line with the skills and discretion job quality dimension, this resulted from formal and informal firm level policies. Last, none of the firms moved in the direction of balanced outcomes for any of the job quality dimension for the initial jobs recruited through ALMP internships. These findings confirm that the Spanish and Irish ICT firms were not heavily constrained by macro and meso institutions to construct balances of flexicurity for 'good' quality job outcomes through ALMPs, but instead these job quality outcomes were determined primarily by firm production needs and market demands. Indeed, Ireland and Spain's weak institutional environment was also conducive to distinct firm specific patterns emerging among the MNC subsidiary SPL and IRM firms and the domestic IRS, SPS and SPM firms in terms of how these two groups used ALMP internships. This observation is directly related to the last two key findings of this research, findings that have direct implications for how ALMP internships may be more effective, particularly in a context of weak institutional constraints.

For the MNC subsidiary SPL and IRM firms, ALMP internships were found to be one of many mechanisms the firms used to supply their labor force, with ALMP internships primarily used as a flexible supply of labor and having limited scope for upskilling. In comparison, the within the domestic IRS, SPS and SPM firms, ALMP internships helped reduce firm hiring risks and provided participants with access to a wide range of skill development and work experience, thus providing some upskilling.

Among the SPL and IRM firms, ALMP internships were used as a strategy to develop high degrees of flexibility and 'slow,' unstructured extended entry tournaments among particular segments of the workforce. Both firms relied heavily on high-skilled technical workers in their wider production strategies. The lack of supply of these high-skilled technical workers in the labor market meant the firms invested more resources in 'faster,' secure and structured pathways for these jobs, than the more easily accessible, mid to low level skilled workers attained through ALMP internships. Because of the lack of supply of high level technical skills in the Irish and Spanish domestic labor market, both firms committed a great deal of resources towards retention, firm led internships and training programs, international recruitment and even poaching strategies to attain these skills. Therefore, recruiting these high-skilled technical workers through ALMP internships was not an option, given the strategic importance of these skills in the firms' overall production strategies and the risk of losing these workers to other ICT firms offering higher degrees of job security. Accordingly, the ALMP internships were used to recruit workers of limited strategic value and of less 'unique' and specialized skills for the firms' overall production strategies.

In short, in the IRM and SPL firms, the ALMP internships are not used to upskill, but rather to facilitate a flexible supply of labor which can easily be shed according to shifts in production needs and market demands. Within the IRM firm, the high degree of flexibility extended into the *current* system's administrator job recruited through the ALMP internship. Accordingly, no flexicurity balances on any job quality dimensions were found for the IRM firm's *current* system's administrator job. While the SPL firm achieved flexicurity balances on some job quality dimensions for the *current* talent acquisition job recruited through the ALMP internship, the SPL firm's entry tournament was still highly flexible and lengthy. Thus, ALMP internships enable the IRM and SPL

firms to continue using medium-road production strategies for specific segments of the workforce. This suggests that these extended internal entry tournaments may have been adopted anyway in the absence of ALMPs. Thus, ALMP internships may be highly susceptible to issues of deadweight, displacement and substitution effects in these firms.

Among the domestic SPS, IRS and IRM firms, ALMP internships were used as a strategy to develop structured and 'fast' career tracks to achieve high degrees of flexibility among the majority of the workforce at the point of entry. Unlike the SPM and IRM firms, specialized high-skilled technical workers were not of central importance in the SPS, IRS and SPM firms' overall production strategies. Instead, these firms placed strategic value on jobs with high degrees of functional flexibility and broad skill mixes. ALMPs provided an appropriate mechanism for these firms to train and assess these skills, while also providing a cost-effective recruitment strategy. Ultimately, these firms sought to extend the entry tournaments only in as far as it was still a viable recruitment strategy to attract and retain talent. This was evident in the 'faster' entry tournaments and narrower range of recruitment strategies these firms adopted.

The IRS firm entry tournaments used through ALMP internships was also the only ICT firm case study that recruited directly onto a permanent contract following the ALMP internships and consequently the jobs recruited through ALMP internships had faster career tracks towards permanent jobs than the other Irish and Spanish ICT firms.

Similarly, while the SPS firm did not have one of the shortest entry tournaments for the job recruited through ALMPs, it selected the ALMP internship with the employment incentives which obligated it to hire following the internship period. Given that both firms faced difficulties accessing candidates with the right skill mixes due to resource and/or geographical constraints, production strategies centred less on achieving high levels of numerical flexibility among its workers, and more on increasing functional flexibility among the workers. ALMP internships enabled the two firms to mitigate hiring costs and to prolong the period to test individual performance. Flatter managerial structures, low turnover and broader skill mixes in the IRS and SPS firms were conducive to collaborative learning environments and exposure of employees to a wide range of tasks. Both of these firms used the entry tournaments through ALMP

internships as an opportunity to expand, as well as train the ALMP interns, albeit informally. Despite the IRS and SPS firms' small size and consequently limited capacity to invest in training, both the IRS and the SPS firms achieved balances of skills and discretion that represents a move in the direction of balancing employment/job security with functional flexibility for the *current* job quality outcomes. Thus, evidence exists that ALMP internships provide some upskilling for both firms.

The IRM firm was slightly different from the IRS and SPS firms given its medium size and its orientation towards media occupations. Given its size and focus on media occupations, the IRM firm did not face difficulties accessing candidates with broader skill mixes with these skills more readily available in the Spanish labor market. However, the SPM firm still placed importance on high degrees of functional flexibility in its jobs and limited external flexibility to initial entry tournaments among its workers. ALMP internships were a strategy the firm used to mitigate risks associated with hiring, as well as a cost-effective strategy to train and assess participants both in a range of technical and 'soft' skills. Similar to the IRS and SPS firms, the SPM firm had low turnover and broader skill mixes which were conducive to collaborative learning environments and exposure to a wide range of tasks for ALMP participants. Given the medium size of the SPM firm, it did not face the same limited capacity to invest in training as the IRS and SPS firms and was able to offer more formal training courses. However, similar to the IRS and SPS firms it also achieved balances of skills and discretion that represents a move in the direction of balancing employment/job security with functional flexibility for the current job quality outcomes through ALMPs.

In summary, three key findings emerge from this thesis:

1) In a context of weak macro and meso institutions, firm features play an increasingly important role in explaining how employers facilitate particular job quality outcomes through ALMP internships within the Spanish and Irish ICT sector.

- 2) ALMP internships are one of many mechanisms, the Spanish and Irish MNC ICT subsidiary firms use to supply their labor force. ALMP internships are primarily used as a flexible supply of labor and have limited scope for upskilling.
- 3) ALMP internships are more effective in the domestic small and medium ICT firms where they help reduce firm hiring risks and provide participants with access to a broad range of skill development and work experience, thus providing for upskilling.

These findings point to the important role firm level features play in facilitating particular job quality outcomes through ALMP internships within the Spanish and Irish ICT sector. It also suggests that ALMP internships may be more suitable for Irish and Spanish small and medium domestic ICT firms in terms of promoting stronger possibilities for more structured and 'faster' pathways towards quality jobs. However, apparent are the problems that stem from this reliance on firm specific features to facilitate 'good' job quality outcomes through ALMPs. Employer behaviour could easily shift as firms adjust to changing production needs and market demands. In addition, given that small firms have different resource capacities (i.e. human and financial) to invest in training, especially formal training, ALMP job quality outcomes in terms of skill acquisition and discretion could also potentially be highly variable. These observations pose problems for ALMP internships if one assumes that ALMPs are meant to activate the unemployed through a job matching system and raise the productivity and skills of participants. Indeed, the weak institutional constraints for ALMP internship job quality outcomes means the risk remains that ALMP participants may become trapped in poor quality jobs or enter a churning process between poor quality jobs and unemployment.

Therefore, for ALMPs to create sustainable and quality jobs, ones accessed through structured and 'faster' entry tournaments, further constraints must be placed on the Irish and Spanish ICT firms that use ALMPs. According to Streeck (1997) socially embedded and effective regulatory constraints among otherwise self-interested, rational economic action is necessary to benefit economic performance of society as a whole. In other words, for the Spanish and Irish ALMP internships to facilitate quality job outcomes within the ICT sector, further constraints must be placed on how the Irish and Spanish firms can incorporate ALMP internships into their overall production

strategies. Nevertheless, the key findings of this research suggest that ALMP internships would be more effective in domestic small and medium ICT firms. Therefore, while broader institutional constraints should be considered for all firms that participate in ALMP internships, this research also suggests a more sectoral level focus and one that focuses on domestic small and medium firms.

## The Contributions of the Study

Through a cross-country comparative analysis of job quality outcomes attained through ALMP internships in five Spanish and Irish ICT firms, this research has made a number of contributions to knowledge. These include:

- The key role that the Irish and Spanish ICT firm features play in constructing
  flexible and secure job quality outcomes through ALMP internships, in Spain and
  Ireland, countries characterized by weak industrial relations systems,
  fragmented training systems and general education systems.
- The Spanish and Irish MNC ICT firms primarily use ALMP internships as a flexible supply of labor, one that has limited scope for upskilling.
- ALMP internships are more effective in the domestic small and medium ICT firms, given the reduced hiring risks and access ALMP interns have to a wider range of skill development and work experience, thus providing for upskilling.
- An extension of the flexicurity analytical framework to examine job quality outcomes in practice at both the sectoral and firm level.
- It enhances the limited academic literature which examines the demand side of ALMPs, specifically how particular sectors and firms engage and organize ALMPs within their overall production strategies.
- It examines the processes that lead to job quality, as opposed to how ALMP participation impacts the probability of employment.
- More generally, it adds to the scarce research on ALMPs within countries that are less often considered 'best practice.'

#### Literature

While taxonomies such as the Varieties of Capitalism provide important tools to understand the relationships between sectors and complementary industrial relations and education and training institutions, it often neglects and exaggerates coherence within 'capitals' (Bechter et al. 2011; Meardi et al. 2013). Indeed, the literature on corporatism argues that industrial relations systems that lack 'encompassingness' often have strong cross-sector variation affects, particularly among liberal and mixed models (Crouch 1993). While internationalisation has generally been considered an important factor in manufacturing for the convergence of work arrangements (Puligano and Keune 2015), this thesis suggests that these convergences may also be found within the service sector, as in the case of the Irish and Spanish ICT subsidiary firms examined. Similarly, Thelen (2014) argues that the increased growth and importance of the service sector alongside the decline of the manufacturing sector, has had varying impacts on working arrangements, ones that often transcend the coherent capitals suggested by the VoC literature.

Importantly, and in line with the thesis findings, Thelen (ibid) argues that many of the countries examined in the VoC literature are experiencing a move towards liberalization. However, the capacity of the state to actively broker with labor and capital through key political-economic institutions (i.e. collective bargaining, VET and labor market institutions), plays an important role in the extent to which divergent trajectories of liberalization are pursued. This in turn has further implications for how risk is collectivized and how employer strength and organization is moved in the direction of economic efficiency and equality. In this thesis, both the Spanish and Irish state are identified as weak in their capacity to broker between labor and capital in the ICT sector, as well as in their ability to strengthen and reinforce key political-economic institutions that would move ICT employers in a clearer and more uniform direction that supports economic efficiency and equality. Therefore, in a context of fragmented and uncoordinated industrial relations and education and training institutions, production levels features such as the degree of internationalization, the degree of value firm's attach to human capital (both general and specific), and the scarceness of human capital were found to hold increased salience. This suggests that the VoC focus on

analytical categories such as employer coordination in relation to industrial relations, initial vocational training, corporate governance, inter-firm relation and employee cooperation, may be missing important firm level production features that this thesis found important when explaining job quality outcomes and entry tournaments through ALMP internships. This focus on various firm level production features as additional analytical categories appears particularly relevant in countries that have adopted more 'deregulatory' trajectories of liberalization, such as in the case of the Irish and Spanish ICT sector.

The thesis also makes important contributions to the ILM literature, supporting and adding to Rubery and Grimshaw (1998) and Grimshaw et al. (2001; 2002) arguments and findings about the reconfiguration and dismantling of ILMs within a context of increased external and internal labor market pressures. While the thesis found a clear lack of strong ILMs in all of the Spanish and Irish ICT firms that recruited through ALMP internships, the IRM and SPL firms notably had more lengthy and precarious employment trajectories towards permanent contracts. This was attributed to the high degree of exposure to international labor market pressures within both firms to cut costs (often through outsourcing), as well as internal pressures to continue to maintain a skilled workforce.

In addition, a lack of a steady supply of high level technical skills for upper level jobs in the labor market meant the IRM and SPL firms both faced high turn-over and poaching of skills, thus pressuring them to adapt their employer strategies to develop solutions, including the funnelling of significant resources to attract and retain workers with these high level technical skills. This strategy resulted in fragmented ILM structures, with clear differences in the duration and structure of entry tournaments between the individuals recruited for positions through ALMP internships for medium and low skilled non-technical positions and those individuals recruited for high level technical positions in terms of training provision and skill discretion, internal progression and promotion ladders, earnings, and job security (temporary versus permanent contracts). Specific to the IRM firm was the clear lack of training linked to a promotion ladder for the lower skilled non-technical position recruited through ALMPs, thus suggesting similar to Grimshaw et al. (2002), a 'delayering' of job ladders at the lower levels. These findings

contrasted with the ILM structures in the domestic SPS, SPM and IRS ICT firms, where the divide between those individuals recruited through ALMP internships and high-skilled technical jobs was not a feature of the firms' ILM structures.

The SPS, SPM and IRS ICT firms were less exposed to international labor market pressures, valued different types of skill mixes, and had flatter organizational structures. Specific to the small SPS and IRS firms, was the perception that all skill mixes were scarce (due to geographical and resource constraints) and thus employer strategies and working conditions were not organized around particular workforce segments. Among all of the domestic SPS, SPM and IRS firms, similar and limited entry ports into the firms existed for all types of occupations with the flatter organizational structures lending to various forms of collaborative on-the-job learning and high degrees of functional flexibility. None of these firms faced issues of high job turn over or poaching either, with entry tournaments more structured and of less duration for the individuals recruited through ALMP internships.

Similar to Rubery and Grimshaw (1998) and Grimshaw et al. (2001; 2002), this thesis found that the polarization between primary and secondary firm ILMs is not readily apparent in practice, but instead employers are constantly adapting ILMs at the intersection of often multiple internal and external labor market pressures. This research also emphasizes the importance of a focus on the sector, the degree of firm internationalization and the size of the firm in shaping how training provision and skill discretion, internal progression and promotion ladders, earnings, and job security (temporary versus permanent contracts) are allocated among particular groups of workers. The findings suggest that small, domestic firms may be more conducive to shorter and more structured entry tournaments, albeit with limited opportunities for promotion due to the flat organizational structure. All of these findings also emerge in the context of two countries, Ireland and Spain, which lack strong macro and meso institutions to coordinate and regulate labor market exchange in the ICT sectors which further inhibits the uncertainty and exposure of the firms to international labor market pressures. Therefore, greater diversity and fragmentation in ILMs, coupled with an increased importance of employer-led market solutions would be expected in countries lacking these strong macro and meso institutions. A focus on firm level features in

explaining the fragmentation and dismantling of firms would be particularly important in these types of countries.

The comparative analysis at the sectoral and firm level also further unpacks the flexicurity concept, one that has consistently been used to examine national (Auer 2007; Bonoli and Emmenegger 2010) and sectoral regulatory features (Pulignano and Keune 2015; Ibsen and Mailand 2009, 2010; Paolucci 2017), thus neglecting how combinations of flexicurity and security outcomes manifest in practice at the workplace. Indeed, through an analysis of flexicurity outcomes within five Irish and Spanish ICT firms across two countries, this study fills this research gap by enabling an analysis of flexicurity outcomes in practice and shedding light on how firms may behave in different regulatory settings. The decision to examine job quality outcomes through ALMPs further adds another layer to the flexicurity literature, given that ALMPs are one strategy argued to be a key component of flexicurity to enhance labor market transitions and employability (Heyes 2013; European Commission 2007). Indeed, this research would suggest that while ALMP internships may provide an entrance into jobs within the Irish and Spanish ICT sector, internal labor market transitions to flexible and secure jobs may still be highly flexible and lengthy depending on how ALMPs are incorporated into particular firm production strategies.

Last, this study contributes to the small but growing literature on the role of employers or the firm in ALMPs (Bredgaard and Halkjær 2016; Bredgaard 2017; Inglod and Vilzade 2016), as well as the firm level dynamics that underpin job quality outcomes. An extensive literature exists on ALMPs, with empirical studies primarily evaluating whether the participation of an individual in ALMPs increases the probability of employment (see Kluve 2006 for a review). One of the conclusions is that ALMP programs that are closer to the workplace have greater possibilities for employment outcomes (Kluve 2006, 2010; Card et al. 2009). However, the role of employers in facilitating employment outcomes is less understood. The existing supply side research also tends to focus mainly on employment outcomes to the detriment of job quality outcomes.

The study of the Irish and Spanish ICT firms suggests that even when firms participate and recruit through ALMP internships, flexible and secure job quality outcomes may not be guaranteed. Indeed, job quality outcomes through ALMP internships may be more dependent on firm level features in a context of a weak institutional environment. In addition, ALMP internships appear to have variable effects according to whether ICT firms are MNC or domestic, with particularly strong effects for small domestic ICT firms which have difficulties accessing labor and provide 'faster' and more structured career tracks towards quality jobs. Indeed, given the recruitment difficulties these small domestic ICT firms face, this is where ALMP internships may have the highest scope for building firm capacity. Indeed, within Chapter 7 it was argued that the design of the Spanish ALMP internship program supported the development of a more detailed training plan for future employees within the small Spanish firm, thus enabling the firm to upgrade training and improve job quality. These findings suggest that ALMP internships do have scope for providing structured pathways towards quality jobs, particularly among domestic small firms within the ICT sector. However, further research is needed to understand what institutional constraints may be necessary to facilitate flexible and secure job quality outcomes when firms hire through ALMPs. In addition, a sectoral focus seems particularly important given differences in overall job quality between high-skilled sectors such as ICT sector and low-skilled sectors such as retail (Eurofound 2014).

### Methodology

The methodology of this thesis provides a number of contributions. First it adopts a cross-country comparative case study design that analyses job quality outcomes at the sectoral and firm level. This research design provides a framework for future research that is interested in exploring how employment dynamics unfold in practice at the firm level within the context of national and sectoral regulatory features. Secondly, the adaptation of Ibsen and Mailand's (2009) flexicurity analytical framework to the firm level provides a comprehensive frame to analyse how actual flexible and secure job quality outcomes manifest in practice at the firm level. Indeed, this framework also

enables a more comprehensive understanding of variation between national and sectoral flexicurity regulation and actual implementation within firms. More generally, this research illustrates the value of comparative case study research as well as emphasizes the difficulties that can arise to access firms, particularly firms in low-skilled sectors that may be more exposed to lower quality job outcomes through ALMP internships. Indeed, this research initially intended to analyse job quality outcomes through ALMPs through a comparison of the ICT sector (i.e. a high-skilled sector) and the retail sector (i.e. a low-skilled sector), but was unable to gain access to firms in the latter sector. Last, the triangulation of data through a semi-structured topic guide, the analysis of firm websites and policy reports, and the extensive analysis of labor market legislation and collective agreements provided for a more holistic understanding of the underlying mechanisms and processes that may shape job quality outcomes through ALMP internships.

## **Policy Recommendations**

While the supply side continues to remain the dominant approach to ALMPs within the EU, this research argues that employers have a large role to play in facilitating particular job quality outcomes through ALMPs. The findings of this research suggest that in a context of weak macro and meso institutions, firm features play an increasingly important role in explaining how employers facilitate particular job quality outcomes through ALMP internships within the Spanish and Irish ICT sector. In addition, the findings suggest that ALMP internships may be more effective in the domestic small and medium ICT firms where ALMPs aid to reduce firm hiring risks and provide participants with access to a broad range of skill development and work experience. Accordingly, these firms were found to offer shorter and more structured entry tournaments towards quality jobs through ALMP internships. While considering the recruitment difficulties of the small domestic ICT firms, as well as the difficulties small firms face to upgrade training, this led to the conclusion that ALMP internships may have the highest scope for building firm capacity within these firms. Therefore, the findings of this research argue that ALMP internships should be focused at the sectoral level, among

domestic firms, with a particular focus on small firms. While ALMP internships may also be effective in large and medium MNC ICT firms, they should be aimed at areas of high-skill need within these firms. One such example would be to combine ALMP high-skilled formal IT training programs with ALMP internships within the large and medium MNC ICT firms. This would redirect ALMP internships to address actual skill need within these firms, as well as continue to encourage upskilling. Adapting this same example to smaller ICT firms would also be effective, given the limited resources these firms have to access formal external training.

More generally, further institutional constraints on Irish and Spanish ICT firms are needed to ensure ALMP internships lead to sustainable and quality jobs, ones accessed through structured and 'faster' entry tournaments. Clearly these institutional constraints would look different within Ireland and Spain given the different institutional environments. Within the context of Spain, collective agreements appear to be one such institutional mechanism that may constrain firm behaviour and encourage better quality of job outcomes. However, as seen in this research, this is only possible if collective agreements include a broad range of job quality issues, such as in the case of the SPM firm's non-daily press collective agreement. Within Ireland, the absence of collective bargaining in the ICT sector means that institutional constraints are left primarily to the state and thus the state represents the main institution to constrain job quality issues. However, this research found the Irish state offers few constraints for job quality issues. Therefore, while changes could be made to the Spanish industrial relations system to encourage social partners to negotiate on more job quality issues and the Irish state could be lobbied to develop statutes that encompass broader job quality issues, these institutions are path dependent and as such embedded in a system of rules. Consequently, smaller, incremental changes are more realistic. Examples may include strengthening the Public Employment Service and its engagement with employers, as well as designing ALMP internship programs that are more structured and targeted at specific sectors.

Further cross country comparative research at the sectoral level that specifically examines job quality outcomes through ALMP internships is a rich area of research that is needed. Further comparisons of countries lacking the coordinated and strong

institutions of the classical northern European ALMP countries is also needed to further uncover not just poor cases of job quality outcomes, but also good job quality outcomes. This type of research may further uncover mechanisms that encourage employers to facilitate good quality job outcomes through ALMPs, in an otherwise weak institutional environment. This would also present areas of policy learning for improving ALMPs that could be more easily adapted to countries such as Ireland and Spain.

## **Conclusions**

This thesis is important because it addresses an area of research that was previously neglected and an area that could potentially have policy implications to improve job quality outcomes through ALMP internships. It draws attention to the need to understand how sectoral and firm specific dynamics influence employer behaviour related to job quality outcomes through ALMP internships. This is particularly important in weak institutional environments such as Ireland and Spain that provide few constraints to encourage 'good' quality jobs within firms. This thesis has explained how ALMP internships can have varying effects on job quality with shorter and more structured entry tournaments towards quality jobs found in small and medium domestic ICT firms and lengthier and less structured entry tournaments towards quality jobs in large MNC ICT firms. By attaining an understanding of the firm dynamics that contribute to these varying job quality outcomes through ALMP internships, this thesis provides valuable insights for innovating future ALMP internship policymaking , as well as for potential improvements in job quality outcomes for future ALMP intern participants.

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SUZymHvGP7AaHuIGgCw&usg=AFQjCNEwrForv2qM2RZnOiT1Yo-

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# **Appendix A: Interviewee Information**

Organization/Firm Type	Ireland	Spain
Government & State Officials/Academic Experts	Government Official 1, DEASP (PES), 2017	Government Official1, Catalan Ministry of Education and Training, 2015
	Government Official 2, DSP (PES), 2017	Government Official 2, Catalan Ministry of Education and Training, 2015
	Government Official 3, DSP (PES), 2016	Government Official 1, SOC (PES), 2015
	Politician 1, Irish activation policy, 2017	Expert 1, Economist labor market policy, 2015
	Former Government Official, PES, 2016	Expert 2, Youth labor market policy, 2015
	Politician 2, Irish labor market policy, 2017	Expert 3, Employment Research,2015
		Expert 4, Training and employment, 2015
Trade Unions	Trade Union Representative, ICTU, 2015	Trade Union Representative 1, Comisiones Obreros (CCOO), 2015
	Trade Union Representative, SIPTU, 2017	Trade Union Representative 2, Comisiones Obreros (CCOO), 2015
	Trade Union Representative 1, Mandate, 2017	Trade Union Representative 1, Youth Division, Comisiones Obreros (CCOO), 2015
	Trade Union Representative 2, Mandate, 2017	Trade Union Representative 2, Youth Division, Comisones Obreros (CCOO),2016

		Trade Union Representative 1, Service Federation, Comisiones Obreros (CCOO), 2016
Employer Federation	Employer Federation Representative, Irish Business and Employers Confederation (IBEC), 2015	Employer Federation Representative 1, Catalan micro, small and medium employers federation (PIMEC), 2015
		Employer Federation Representative 1, Catalan Employer's Federation (Foment del Treball-Patronal Catalana),2015
		Employer Federation Representative 2, Catalan Employer's Federation (Foment del Treball-Patronal Catalana), 2015
ICT firms	Managing Director, IRS firm, 2016	Managing Director, SPS firm, 2016
	Former ALMP Intern, Sales, marketing and Technical support, IRS firm, 2016	Former ALMP Intern, IT support, SPS firm, 2016
	Former ALMP Intern, Web Designer, IRS firm, 2016	HR specialist, SPL firm,2016
	Human Resource Director, IRM firm, 2016	Former ALMP Intern, Talent Acquisition, SPL firm, 2016
	Former ALMP Intern, IT Support and System's Administrator, IRM firm, 2016	Finance/HR Director, SPM Firm, 2016

# Appendix B: ALMP Programs by Type- Ireland and Spain 2017

	ALMP Pro	ograms by A	ALMP type- Ire	eland and Spain 20	)17	
		Job Search Assistan ce and Monitor ing	Labour Market Training (Qualificati ons and Work Experience )	Employment Incentives/Wa ge Subsidies(indiv idual or employer)	Direction Job Creation through Public Sector Work Program mes	Start- Up Incenti ves
Ireland	Back to Work Enterprise Allowance Scheme				ilics	Х
	Counselling and Guidance (LES, Intreo, etc.)	Х				
	Short-term Enterprise Allowance					X
	Part-time Employment Incentive			X		
	TUS- Community Work Placement				X	
	JobBridge		Х			
	Gateway				Х	
	Community Employment Scheme				X	
	Apprenticeshi ps		Х			
	SkillsNet		Х			
	Specific Skills Training		Х			
	(Career)Traine eship Programme		X			
	Back to Education Allowance (BETA)		Х			

	D : 1 : /-				Ī	
	Bridging/Foun		Х			
	dation					
	Courses					
	ICT Skills		X			
	Conversion					
	Course					
	JobPath	Х	Х			
	(Seetec and					
	Turas Nua)					
	JobsPlus			X		
	(Youth)			^		
	YouthReach		X			
	Social				Х	
	Inclusion and					
	Community				1	
	Activation					
	Program					
	(SICAP)					
	Momentum		Х			
Spain-	Program for	Х				
Catalonia	orientation					
	and guidance					
	for Labor					
	Market					
	Insertion with					
	PES and other					
	public and					
	private					
	entities (i.e.					
	personal and					
	online					
	services for					
	job search					
	assistance)				1	
	Job Search	Х				
	Spaces					
	Program					
	Recruitment		Х			
	of Young				1	
	people for				1	
	Internships				1	
	Grant	Х	Х			
		^	^			
	Program for					
	Private					
	Employment					
	Placement					
	Agencies					

			I	
Subsidies to		X		
Favor the				
Incorporation				
of young				
people in the				
Youth				
Guarantee				
Program				
Training of	Х			
Supply in				
Priority Areas				
(FOAP)				
'Training'	Х	Х		
Programs with				
Commitment				
to Hire				
Employment	Х			
and Training				
Program				
(public				
entities)				
Hiring a young	х			
person onto	^			
an internship				
contract				
(public				
subsidies and				
entities)				
New	Х			
Opportunities				
for Young				
People				
Employment	X	X		
for Young				
People				
Foreign	Х			
Language				
Training				
Programs				
ICT Training	Х			
Programs				
Non-labor	Х			
internships				
Dual	Х			
Professional	^			
Training				
	Х	Х		
Training and	X	^		
Insertion				

				1	
Mixed		Х			
Employment					
and Training					
Programs					
Entrepreneurs					Х
hip Scheme					
Open-ended			Х		
contract					
conversion					
incentive					
Temporary			X		
Contract					
Recruitment					
Incentive					
30+ Program	Χ	Х			
(lower					
qualification					
levels, long-					
term					
unemployed)					
Youth	Х	Х			
Guarantee					
Integrated	Х	Х	Х		
Actions-					
Second					
Chance (16-24					
years old)					
Supporting			Х		
the			X		
Incorporation					
into the					
Labour					
Market >45					
years old					
Work and	Х	Х	Х		
	^	^	^		
Training Program > 45					
Program >45					
years old			v		
On the job		Х	X		
training					
through					
internship					
contracts				1	
'Making	Х	Х	X	X	
Employment					
for Youth'					
Programme,					
18-29 years					
old					

Youth	Х	Х	X	X	
Employment					
Programme,					
16-24 years					
old					
Mobility	Х	Х			
Programs for					
professional					
experience					
(TNL-Mobil					
Cat Program					
for young					
people,					
Catalunya /					
Baden-					
Württemberg)					

Source: Catalonia Public Employment Service 2016; CSO 2016

# **Appendix C: Consent Forms and Research Guidelines**



### **Informed Consent**

You have been invited to participate in a research study. The research focuses on internships in companies, or work experience, and the quality of jobs among young workers in Ireland and Spain. Within Ireland, the study focuses on the National Internship Scheme JobBridge. You have been asked to take part in this study due to your knowledge and/or experience working within this area. Please read this form carefully before agreeing to take part. If you have any additional questions or concerns I would be happy to answer them.

#### What is the purpose of this study?

The purpose of this study is to examine the link between internships in companies and jobs among young workers in Ireland and Spain. The study examines two internship programs, one in Ireland (i.e. the National Internship Scheme JobBridge) and one in Spain (i.e. Non labour Internships in Companies).

### What and who will the research involve?

If you agree to participate in this research, an interview will be conducted with you about your experience as a host or participant with the National Internship Scheme JobBridge and/or your successive job within the company. The interviews will include, though not limited to, questions about the structure and content of JobBridge internships, participants in JobBridge internships, the regulation of the program, quality of jobs, and more generally, employer participation in training programs. The interviews will last approximately one hour and be relatively informal. This research will involve a range of participants (i.e. Human resource management, company directors/CEOs, participants/alumni of the JobBridge internship program, trade union representatives, and employer organizations and representatives) who are knowledgeable and have experience working and/or participating with training or internship programs.

### Do you have to take part?

This research is voluntary and it is your choice whether to participate or not. You can stop the interview process at any point and withdraw any information prior to the publication of the research. You may also reschedule the interview if desired. If you do not wish to participate

at this time you are invited to fill out the withdrawal sheet at the end of this form and return it to the researcher for record purposes. All of your data will promptly be destroyed and the confidentiality of your decision will be ensured.

### Will your participation in the study be kept confidential and anonymous?

All information, including audio recordings, will be stored on a password protected and encrypted computer and any physical documents will be locked within a secure cabinet. Aside from the identification of specific internship programs and labour market sectors, every effort will be made to alter any information that may make participants and companies identifiable. All identifiable information will be removed from the data and participants will be anonymized from the point of the interview by being assigned an identifier code. The key to this identifier code will be stored on an external hard drive in a locked cabinet in the researcher's office. Any extracts quoted from the interview will also be anonymized. All electronic and paper data will be destroyed following a maximum of five years or at the point of publication when the data is no longer needed.

#### How will the information be used?

The results will be seen by the researcher, supervisors and examiners and be presented in the published thesis and academic journals, as well as at relevant conferences.

#### What are the possible advantages and disadvantages?

The researcher does not see any disadvantages for participants taking part in this study. Non-participation is also not envisioned to have any repercussions. Benefits include the opportunity to voice your opinion and professional experiences, potentially improve the effectiveness of training programs for young workers, and contribute to existing knowledge about training programs with internships within Ireland.

### Further queries?

If you need any further information, please feel free to contact me.

Researcher Amelia Dulee-Kinsolving, B.A. Global Studies and Spanish, M.A. Public

Administration & Public Policy and M.A. International Relations

Department of Law & Department of Sociology,

Maynooth University- NUIM, Maynooth, Co. Kildare

Mobile: 083 1581696

**Supervisors** Prof. Michael Doherty, Department of Law

Maynooth University- NUIM, Maynooth, Co. Kildare

Michael.B.Doherty@nuim.ie

Tel: (01) 7086638

Prof. Seán O'Riain, Department of Sociology Maynooth University- NUIM, Maynooth, Co. Kildare Sean.ORiain@nuim.ie

Tel: (01) 7083688

If during your participation in this study you feel the information and guidelines that you were given have been neglected or disregarded in any way, or if you are unhappy about the process, please contact the Secretary of the National University of Ireland Maynooth Ethics Committee at research.ethics@nuim.ie or +353 (0)1 708 6019. Please be assured that your concerns will be dealt with in a sensitive manner.

It must be recognized that, in some circumstances, confidentiality of research data and records may be overridden by courts in the event of litigation or in the course of investigation by lawful authority. In such circumstances the University will take all reasonable steps within law to ensure that confidentiality is maintained to the greatest possible extent

Statement of Consent: I have read the above information, and have received answers to

any questions I asked. I consent to take	part in the study.
Signature	Date
Name (printed)	
In addition to agreeing to participate, I al	so consent to having the interview recorded by aud
Signature	Date
If you would like to withdraw from this re-	search at any point, please sign below and return th
form to me at:	
Amelia Dulee-Kinsolving	
Department of Sociology	
Maynooth University- NUIM	
Maynooth, Co. Kildare	
Sianature	Date



### Formulario de Consentimiento Informado

Ha sido invitado para participar en una investigación. La investigación doctoral trata sobre las prácticas en empresas, o experiencia laboral, y la calidad de los puestos de trabajo, entre los jóvenes trabajadores en España e Irlanda. En el caso de España, me estoy centrando en prácticas no laborales en empresas para jóvenes, en la CCAA de Cataluña. Ha sido invitado para participar en este estudio desde que tiene conocimiento y/o experiencia trabajando en este tema. Por favor lea este documento antes de aceptar a participar. Si tiene alguna pregunta o duda estaría encantada a responderlos.

### ¿Cuál es el propósito de este estudio?

El propósito de este estudio es examinar el vínculo entre las prácticas en empresas y los puestos de trabajo, entre los jóvenes trabajadores en España e Irlanda. El estudio examinará dos programas de prácticas en empresas, uno en Irlanda (es decir JobBridge) y uno en España (es decir Practicas no Laborales en Empresas).

#### ¿Qué y quien va a implicar la investigación?

Si acepta participar en este estudio una entrevista se llevará a cabo contigo a cerca de su experiencia en prácticas no laborales y/o su puesto de trabajo en su empresa en general. Las entrevistas incluirán, sin limitarse, las preguntas sobre la calidad de los puestos de trabajo, la estructura y/o contenido de prácticas no laborales, los usuarios del programa, la financiación del programa, los reglamentos del programa, y la participación del empleador en programas de formación. La entrevista tendrá una duración aproximada de una hora en completarse y serán relativamente informal. Esta investigación incluirá una gama de participantes (es decir responsables de recursos humanos y/o jefe de la empresa, participantes/alumnos de prácticas no laborales en empresas, representantes de los sindicatos, representantes de los patronales, personal del Servicio Público de Empleo Estatal, personal del Servicio de Ocupación de Cataluña, organizaciones de jóvenes) que tienen conocimientos y experiencia trabajando o participando en los programas de formación.

### ¿Hay que participar?

Esta investigación es voluntaria y es su decisión si desea participar o no. Puedes detener la entrevista en cualquier momento y retirar cualquier información antes de la publicación de la investigación. También se puede reprogramar la entrevista si se desea. Si no desea participar, en este momento se le invita a llenar la hoja al final de este formulario y devolverlo

a la investigadora para propósitos de registro. Todos sus datos serán destruidos y se garantizara la confidencialidad de su decisión.

### ¿Su participación en este estudio será confidencial y anónima?

Toda la información, incluidas la grabación de audio, se almacenará en un ordenador protegido por contraseña y cifrado. Los documentos físicos serán encerrados en un gabinete. Aparte de la identificación de las programas de formación y los sectores del mercado de trabajo, se hará todo lo posible para alterar que pueda ser que los participantes identificable. Toda la información identificable será eliminada de los datos y los participantes serán anónimos desde el principio de la entrevista atrás de un código identificador asignado. La clave de este código de identificación será almacenada en un disco duro externo en un gabinete cerrado con llave en la oficina de la investigadora. Cualquier extracto citado de la entrevista también será anónimo. Todos los datos electrónicos y en papel serán destruidos después de un máximo de cinco años o en el punto de publicación cuando ya no se necesitan los datos.

### ¿Cómo se utilizará la información?

Los resultados serán vistos por la investigadora, sus supervisores y examinadores y serán presentadas la tesis publicada y en las conferencias pertinentes.

#### ¿Cuáles son las posibles ventajas y desventajas?

La investigadora no ve ninguna desventaja para los participantes que tomaron parte de este estudio. La no participación tampoco está previsto que tenga repercusiones. Las ventajas incluyen la oportunidad de expresar su opinión e experiencias profesionales, potencialmente mejorar la eficacia de los programas de formación para los trabajadores jóvenes, y contribuir al conocimiento existente acerca de los programas de formación con prácticas en empresas dentro de España.

### ¿Más preguntas?

Si necesita más información, no dude en ponerse en contacto conmigo.

Investigadora Amelia Dulee-Kinsolving, M.A. Administración Política y Políticas Publicas &

M.A. Relaciones Internacionales, B.A. Estudios Internacionales y Español, Departamento de Derecho & Departamento de Sociología, La Universidad de

Maynooth- NUIM, Maynooth, Co. Kildare, Irlanda

Mobile: +34 684092458 (España), +353 83 1581696 (Irlanda),

**Supervisores** Prof. Michael Doherty, Departmento de Derecho

La Universidad de Maynooth- NUIM, Maynooth, Co. Kildare, Irlanda

Michael.B.Doherty@nuim.ie

+353 (0)1 7086638

Prof. Seán O'Riain, Departmento de Sociologia

La Universidad de Maynooth- NUIM, Maynooth, Co. Kildare, Irlanda Sean.ORiain@nuim.ie +353 (0)1 7083688

Si durante tu participación en este estudio, se siente que la información y directrices que se le he facilitado han sido descuidados o ignorado en cualquier forma, o si no estás satisfecho con el proceso, por favor póngase en contacto con El Secretario de la Comité de Ética de la Universidad Nacional de Irlanda Maynooth en research.ethics@nuim.ie o +353 (0)1 708 6019. Se puede asegurar que sus inquietudes serán tratadas de manera confidencial.

Hay reconocer que en algunas circunstancias, la confidencialidad de los datos de la investigación y los registros puede ser anulados por los tribunales en caso de litigo o en el curso de la investigación por parte de la autoridad legítima. En tales circunstancias, la Universidad tomara todas las medidas razonables dentro de la ley para asegurar que se mantengan la confidencialidad en la mayor medida posible.

Declaración de Consentimiento: He leído la información anterior, y han recibido respuestas

a todas las preguntas que le pedí.	Doy mi consentimiento para participar en el estudio.	
Firma	Fecha	
Nombre (letra imprenta)		
Además de acceder a participar, t grabada por audio.	ambién me consentimiento para que la entrevista está	
Firma	Fecha	
Si deseas retirarse de esta investi devuelva este formulario a mí en:	gación en cualquier momento, por favor firme abajo y	
Amelia Dulee-Kinsolving Departamento de Sociología y De La Universidad de Maynooth- NUI Maynooth, Co. Kildare Irlanda		
Firma	Fecha	

# **Appendix D: Research Guides**

# <u>Irish ICT Firm Interview- ALMP Internships</u>

#### Introduction

- Can you tell me a little about the company and your role in the company?
- How many workers are there?
- What are the key occupations?
- What is the average age range of workers within your company? Gender distribution?
- What have been some of the biggest challenges for the company most recently?

# Part 1: JobBridge Intern

- What has been your company's overall experience as a host within the JobBridge Internship Scheme?
- How many JobBridge interns has your company hosted?
- What was/is the duration of your company's JobBridge Internship program?
- What are/ have been the ages of the interns your company has hosted?
- What have been their educational qualification levels and areas of study?
- Did/do you offer any additional subsidy to the JobBridge intern in addition to their social welfare payment and top up?
- What type of training does/did your organization offer to JobBridge interns?
- Why did your company decide to participate in the JobBridge internship program?
- Have you participated in other government sponsored training/internship schemes in the past?

### Recruitment

- How many JobBridge interns have you hired? What occupation(s) were they recruited for? Why did you decide to hire these JobBridge interns?
- What individual characteristics were important determinants in your company's decision to hire (or not) JobBridge interns?
- Of those JobBridge interns who were recruited, what type of labor market contract were they recruited onto?
- Were there other larger sectoral and institutional constraints which impacted the contract type interns were recruited onto?

# Work Experience

- What does work experience represent to your company? How does work experience influence your company's hiring decisions? Why?
- What type of work experience is valued by your company when making hiring decisions?
- Of those young JobBridge interns that were hired, how many had previous work experience?

# Part 2: Job Quality

### **Earnings**

- What is the average monthly salary within your company?
- How does your company set wages? What impacts these decisions?
- To what extent is high job turnover an issue within your company?
- How do you increase worker output or effort in your company?

# **Prospects**

- What opportunities for career advancement are offered within your company?
- What types of employment contracts are the majority of your workers on?

# Training and Work Organization:

- Does your company formulate yearly training and development plans? What types of training are offered?
- What is the skill level (i.e. educational qualification) of the majority of your workers?
- Is there any preference for internal applicants when filling vacancies?
- How frequently is information disseminated to employees?
- How frequently do employees work in teams/groups within your company?

### Work Intensity/Working Time Quality

- How many hours per week on average do your employees usually work?
- How are working time arrangements set (hours worked each day and days worked each week)?
- What type of employee representation is available within your company?
- How influential are collective agreements (i.e. national, regional/sectoral)
  within the ICT sector and your company's decisions to establish specific
  standards for training, salaries, contract types offered and flexible working
  hours?
- What employees are included in these collective agreements?
- What regional and local business associations is your company a member of?

# **Irish Former ALMP Intern/Current Employee**

# Part 1: JobBridge Intern

- Can you tell me a little about your experience as a JobBridge Intern?
- When did you begin your JobBridge internship?
- What was the duration of your JobBridge internship?
- What was your educational qualification and area of study when you began the JobBridge Internship in the company?
- What were your day-to-day tasks as a JobBridge intern?
- What type of training did you receive through JobBridge?
- How were you evaluated during the JobBridge internship?

# Reasons for Participation

• Why did you decide to participate in the JobBridge internship program?

### Work Experience

- Did you have any previous work experience prior to JobBridge? What type?
- What did you gain through the JobBridge work experience?

#### Recruitment

- How do you think the work experience obtained through the internship directly impacted your chances of being hired after?
- What type of contract were you hired onto?

# Part 2: Job Quality

- Can you tell me a little about your position within the company?
- How long have you been employed in this position?
- How did your job within the company change prior to the economic crisis and after the economic crisis? Or how did it change throughout the economic recession?

### **Earnings**

- What is your net annual salary? Your gross annual salary?
- What impacts increases/decreases in your salary?

# **Employment Prospects**

- Have you received any type of employment promotion with your company?
- Do you feel that your employment is secure? Why?

### Training and Work Organization

- In the last 12 months what type of training have you received or undertaken to improve the skills in your current position?
- How closely does your job match your educational qualification and area? How closely does it match your existing work experience?
- How does the company disseminate information among its workers?

- How much autonomy do you have in your job to:
  - a. Establish your own work objectives?
  - b. Establish your own methods of work?
- How often do you participate in key decision making within the company? How are key decisions communicated to employees?
- How are you evaluated in your job?
- What procedures must you follow when a problem arises with a client?
- How frequently do you work in a team?

# Work Intensity/Working Time Quality

- How many hours on average per week do you work?
- How frequently do your weekly working hours change?

# **Spanish ICT Firm Interview- ALMP Internships**

- ¿Me puede decir el nombre de su puesto de trabajo actual y las tareas que desempeña en la empresa?
- ¿Cuántos trabajadores hay?
- ¿Cuáles son las ocupaciones de los empleados de la empresa?
- ¿Cuál es el rango de edad promedio?
- ¿Cuál es el porcentaje de trabajadores hombres y mujeres?
- ¿Cuáles han sido algunos de los mayores desafíos para la empresa recientemente?

# Parte 1: Prácticas no laborales en empresas

- ¿Cuál ha sido la experiencia de la empresa como anfitriona en prácticas no laborales en empresas?
- ¿Cuántos participantes de prácticas no laborales ha recibido la empresa?
- ¿Cuál fue / es la duración del programa de prácticas no laborales en la empresa?
- ¿Cuáles han sido los niveles de educación de los participantes de prácticas no laborales en la empresa?
- ¿Cuál fue el área de estudio de los participantes de prácticas no laborales en la empresa?
- ¿Cuánto era el salario mensual promedio ofrecido a los trabajadores jóvenes que participaban en prácticas no laborales? ¿Por qué la empresa decidió ofrecer este salario?
- ¿Qué tipo de formación recibieron los participantes de prácticas no laborales?

### Razones para participar

- ¿Por qué la empresa decidió participar en el programa de prácticas no laborales?
- ¿La empresa ha participado en otro tipo de programas de formación o prácticas del SOC en el pasado? ¿Por qué?

# Contratación

- ¿El programa de prácticas no laborales está integrado en el plan de reclutamiento de la empresa? ¿Cómo está incorporado adentro del plan de reclutamiento de la empresa?
- ¿Cuántos participantes de prácticas no laborales la empresa ha contratado? ¿Para qué ocupaciones fueron contratados? ¿Por qué fueron contratados?
- ¿Qué características fueron claves en la decisión de la empresa para contratar participantes de prácticas no laborales?
- ¿Qué tipo de contrato se les hizo a los participantes en prácticas no laborales al ser posteriormente contratados al término del periodo de prácticas? ¿Por qué?
- ¿Cuáles fueron las otras limitaciones u oportunidades sectoriales e institucionales que influyeron en la decisión del tipo de contrato que se les hizo a los participantes en prácticas no laborales?

### Experiencia laboral

- ¿Qué aporta la previa experiencia laboral del practicante a la empresa?
- ¿Cómo influye la experiencia laboral en las decisiones de contratación? ¿Por qué?
- ¿Qué tipo de experiencia laboral es valorada al tomar la decisión de contratación? ¿Por qué?
- De los participantes en prácticas no laborales que fueron contratados ¿Cuántos tenían experiencia laboral anterior?

# Parte 2: Calidad del Trabajo

#### Salario

- ¿Cuál es el salario mensual promedio de los trabajadores?
- ¿Cómo es que la empresa fija los salarios? ¿Qué impacta estas decisiones?
- ¿Hasta qué punto es la rotación de empleados en la empresa, llega a ser un problema? ¿Por qué?
- ¿Qué actividades o acciones se realizan la empresa para motivar a los trabajadores?

# Perspectivas de crecimiento

- ¿Qué tipos de oportunidades hay en la empresa para el crecimiento profesional?
- ¿Cómo se toman las decisiones para las promociones?
- ¿Cómo se adaptan los contratos de trabajo a las necesidades de flexibilidad horaria de la empresa
- ¿Cómo varía la distribución de los tipos de contratos según la edad entre los trabajadores de la empresa?

# Formación y organización del trabajo

- ¿Tiene planes anuales de formación y desarrollo? ¿Qué tipo de formaciones se ofrecen (informal en el puesto de trabajo, formal sobre el puesto de trabajo, formal con certificación)?
- ¿Qué influyó en la decisión de ofrecer formación?
- ¿Qué papel juegan los sindicatos en la formación?
- ¿Qué tipos de trabajadores reciben capacitación?
- ¿Cuáles son las cualificaciones profesionales de la mayoría de los trabajadores en la empresa?
- ¿Cómo difunde la información entre sus trabajadores?
- ¿Con qué frecuencia los empleados trabajan en equipos o grupos?

#### Horarios laborales

- ¿Cuánto horas semanales en promedio trabajan los empleados?
- ¿Con que frecuencia cambian los horarios de trabajo de los trabajadores? ¿Por qué cambia o no cambia?
- ¿Los trabajadores pueden ajustar su horario de trabajo para atender situaciones personales o familiares?

# Representación de los empleados

- ¿Qué tipo de representación de comités de empresa o delegados se encuentra disponible dentro de la empresa? ¿Qué tipo de problemas se discutieron en los últimos 12 meses?
- ¿Cómo influyen el convenio colectivo del sector en las decisiones de la empresa para establecer normas específicas para la formación, salarios, tipos de contratos ofrecidos, y horas flexibles?

### Red de asociaciones

- ¿A qué asociaciones empresariales regionales y/o locales pertenece la empresa?
- ¿Cuántas empresas más dentro de estas asociaciones empresariales también están participando en el programa de prácticas no laborales?

# **Spanish Former ALMP Intern/Current Employee**

## Parte 1: Prácticas no laborales en empresas

- ¿Me podrías comentar un poco sobre tu experiencia como participante en prácticas no laborales en empresas?
- ¿Cuándo empezaste los practicas no laborales?
- ¿Cuál ha sido tu nivel de educación cuando empezaste tus practicas no laborales?
- ¿Cuánto fue tu salario mensual como participante en las prácticas no laborales?
- ¿Por cuánto tiempo estuviste en una estancia de prácticas no laborales?
- ¿Cuáles han sido sus responsabilidades participando en el programa de prácticas no laborales?
- ¿Qué contenido estuvo incluido en el convenio de prácticas no laborales?

# Razones para la participación

- ¿Por qué usted decidió participar en el programa de prácticas no laborales
- ¿Por qué usted ha seleccionado para participar en las practicas no laborales?

# Experiencia del trabajo

- ¿Qué tipo de experiencia de trabajo tenías antes de hacer prácticas no laborales en la empresa?
- ¿Qué ganaste con la experiencia de trabajo de prácticas no laborales en la empresa?

# Contratación después de prácticas no laborales en empresas

- ¿Cómo crees que la experiencia laboral obtenida a través de tu experiencia de prácticas no laborales en la empresa impactó directamente sus posibilidades de ser contratado después?
- ¿Qué tipo de contrato recibiste después de tu estancia de prácticas no laborales en la empresa?

# Parte 2: Puesto de trabajo actual en la empresa

- ¿Me puede decir el nombre de su puesto actual y las tareas que desempeña?
- ¿De cuánto tiempo es su contrato de trabajo actual?
- ¿Cómo cambió su puesto actual de trabajo antes de la crisis económica y después de la crisis económica?
- ¿Qué tipo de contrato de trabajo tienes?

#### Ganancias

- ¿Cuánto es su sueldo neto mensual? ¿Su sueldo bruto anual?
- ¿De qué depende su salario en la empresa?

### Prospectos de empleo

- ¿Qué tipos de oportunidades ve en su puesto de trabajo para la promoción profesional? ¿Ha recibido algún tipo de promoción?
- ¿Crees usted que su puesto de trabajo actual es seguro? ¿Por qué?

### Formación e Organización del trabajo:

- ¿En los últimos doce meses que tipo de formación has recibido para mejorar sus habilidades para el puesto de trabajo? ¿La formación fue pagada por la empresa?
- ¿Hasta qué punto crees que su título se ajusta (job-skill match) a las funciones del trabajo actual? ¿A su experiencia laboral?
- •¿Cómo es que la empresa difunde la información de la empresa entre sus trabajadores?
- ¿Cuánta responsabilidad tiene en su puesto de trabajo actual para?:
  - a) ¿Establece sus propios objetivos?
  - b) ¿Establece su método de trabajo?
- ¿Participa en las decisiones claves y la planificación dentro de la empresa? ¿Qué tipo de canales de comunicación se utiliza normalmente?
- ¿Qué tipo de evaluación ha recibido en los últimos doce meses sobre su puesto de trabajo?
- ¿Qué procedimientos debe seguir cuando surge un problema con un cliente o proveedor?
- ¿Qué procedimientos debe seguir cuándo surge un problema con un supervisor o compañero de trabajo?
- ¿Con qué frecuencia trabaja en equipo

# Intensidad del Trabajo y el Tiempo de Trabajo

- ¿Cuántos horas semanales en promedio trabajas?
- ¿Con que frecuencia cambia el horario de trabajo?
- ¿Con qué frecuencia se espera que trabaje horas extra durante la semana? ¿Y durante el fin de semana? ¿Por qué?
- ¿Puede ajustar su horario de trabajo para atender situaciones personales o familiares?

### Representación de los Trabajadores

• ¿Qué influencia tiene el convenio colectivo sobre su salario, horario de trabajo y otras condiciones que influyan en la calidad de su puesto?