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## **POOR PERCEPTION OF PUBLIC SECTOR WORKERS PUTS SMALL BUSINESSES OFF EMPLOYING THEM**

- **Staffing up:** 22% of SMEs intend to hire new staff in 2011<sup>[1]</sup> – but only 2% of SME employers would actively seek to recruit public sector workers<sup>[2]</sup>
- **Lukewarm welcome:** almost a quarter of small businesses (23%) would only consider a public sector worker if it was a role that they couldn't otherwise fill – one in ten (12%) wouldn't be prepared to employ a public sector worker at all<sup>[2]</sup>
- **Daydream believer:** 55% of SME owners believe that public sector workers have unrealistic expectations about pay, holidays and employment terms while just 11% consider public sector workers to be as productive as private sector employees<sup>[3]</sup>
- **Culture clash:** only 6% of private sector employers agree that public sector workers would fit in well in their company<sup>[3]</sup>
- **Growth story:** 72% of SME owners think that their business will grow or retain its size in 2011<sup>[4]</sup> – but only 18% believe the private sector will be able to pick up the slack from public sector job cuts<sup>[5]</sup>.

Government hopes that the private sector will provide jobs for unemployed public sector workers look increasingly shaky, according to new research from [uSwitchforbusiness.com](http://uSwitchforbusiness.com), the independent and impartial energy brokerage for small businesses. The study shows that far from welcoming public sector workers into their businesses, the majority of SME employers are actually put off employing them because of concerns over productivity, training and skills and even attitude.

Almost a quarter of SMEs (22%) intend to take on more staff in 2011<sup>[1]</sup>. Unfortunately, these growth plans may prove of little benefit to redundant public sector employees as only 2%<sup>[2]</sup> of employers stated that they would actively seek to recruit them. Nearly a quarter of small businesses (23%) would only look to recruit a public sector worker if it was for a role that they

couldn't otherwise fill. More damningly, one in ten (12%) would not be prepared to employ a public sector worker at all<sup>[2]</sup>.

The biggest barrier seems to be SME owners' negative perceptions of public sector workers - only 6% of private sector bosses believe that they'd fit in well in their business<sup>[3]</sup>. Over half (55%) believe that public sector workers have unrealistic expectations regarding pay, holidays and employment terms while just one in ten (11%) agree that they are as productive as private sector workers<sup>[3]</sup>.

Four in ten small business owners (41%) believe that there is a cultural issue that would make it very difficult for a public sector worker to successfully adapt to the private sector. Moreover, public sector workers may have a difficult time convincing potential employers of their expertise at interview, as a tiny 8% of bosses see them as ahead of the private sector in terms of training, up-to-date knowledge and skills<sup>[3]</sup>.

Public sector redundancy is expected to increase dramatically in 2011 as the coalition Government continues to cut funding to education, the military, hospitals and local authorities. Despite the numbers of qualified public sector candidates that will flood the market, only 18% of SME business owners believe that the private sector will be able to pick up the slack from the expected job cuts<sup>[5]</sup>. And this cannot be attributed to lack of confidence as 72% of SME owners think that their business will grow or at least retain its size in 2011<sup>[4]</sup>.

**James Constant, Director of [uSwitchforbusiness.com](http://uSwitchforbusiness.com), says:** "The Government is pinning its hopes on the private sector being ready, willing and able to offer employment to redundant public sector workers. What it hasn't grasped is that employers view public and private sector candidates very differently. Small businesses need workers that can fit in quickly, hit the ground running and add value to the bottom line – what this research shows is that there are grave doubts as to whether public sector workers can meet this demanding brief.

"Trading conditions are tough and business owners have to ensure their business is as agile and competitive as possible. Whether looking to expand or not, all businesses can benefit from looking at their overheads and ensuring that they are not paying more than they need to for the basics such as energy, telephone and broadband and insurance. It's easy to take your eyes off these but paying more than competitors can have just as big an impact on your business as employing the wrong or right worker."

For more information visit [www.uSwitch.com](http://www.uSwitch.com) or call 0800 093 06 07

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**For more information please contact:**

Jo Ganly, uSwitch.com on 0207 802 2915 or [joganly@uswitch.com](mailto:joganly@uswitch.com)

Beth Murray, Lansons Communications on 0207 566 9728 or [bethm@lansons.com](mailto:bethm@lansons.com)

Lisa Grando, Lansons Communications on 0207 294 3669 or [lisag@lansons.com](mailto:lisag@lansons.com)

**Notes to editors:**

Unless otherwise stated, all research is taken from a uSwitchforbusiness.com poll, undertaken online with 240 key owners and financial decision makers of businesses with between 1 and 50 employees during January 2011.

1. When asked 'Will you be hiring new staff over the next 12 months?', 11.6% of respondents said 'Yes – mainly permanent staff', and 10.2% said 'Yes – but mainly contractors/temporary staff', a joint figure of 22%
2. In response to: 'If a role was available would you be prepared to employ a public sector worker?'
3. When asked 'Which of the following statements do you agree with in respect of public sector workers? (tick any that apply)' respondents answered: 'Public sector workers would fit in well in my business' (6%) 'There is a cultural issue that would make it very difficult for a public sector worker to successfully adapt to the private sector' (41%) 'Public sector workers are just as productive as those in the private sector' (11%) 'Public sector workers have unrealistic expectations regarding pay, holidays and employment terms' (55%) 'Public sector workers are ahead of private sector in terms of training and having up-to-date knowledge and skills' (8%)
4. When asked 'Do you expect your business to grow over the next 12 months?' 33% of respondents answered 'Yes it will' and 39.3% answered 'It will stay the same', a total of 72%
5. When asked 'Do you think the private sector will be able to pick up the slack from public sector job cuts?' 18.1% said 'yes'.

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