

# **Universal Credit, job quality and employers**

*Why we need to support people into good jobs, not just any jobs*

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# A few strands of work...

- Jones, K., Berry, C., Rouse, J. and Whittle, R. (2019) *Universal Credit and In-Work Conditionality – a productive turn?* Productivity Insights Network
- Jones, K. and Kumar, A. (2022) *Idleness*. Agenda Publishing
- Jones, K., Scullion, L., Hynes, C., & Martin, P. (2022). Accessing and sustaining work after Service: the role of Active Labour Market Policies (ALMP) and implications for HRM. *The International Journal of Human Resource Management*, 1–22. <https://doi.org/10.1080/09585192.2022.2133574>
- Dwyer, P., Scullion, L., Jones, K., McNeill, J., Stewart, A. (2023) *The impact of welfare conditionality*, Bristol: Policy Press
- Jones, K., Wright, S., & Scullion, L. (2024). The Impact of Welfare Conditionality on Experiences of Job Quality. *Work, Employment and Society*, 0(0). <https://doi.org/10.1177/09500170231219677>
- Jones, K. and Carson, C. (2023) *Universal Credit and Employers: Exploring the Demand Side of UK Active Labour Market Policy*. Manchester Metropolitan University <https://www.mmu.ac.uk/sites/default/files/2023-01/UniversalCreditandEmployersFinalReportJan2023.pdf>
- Jones, K., & Carson, C. (2024). A step too far: Employer perspectives on in-work conditionality. *Journal of European Social Policy*, 0(0). <https://doi.org/10.1177/09589287241232817>

# Policy context: Universal Credit & Active Labour Market Policy

- **Policy:**
  - Universal Credit is the main benefit for people who are out of work or on a low income. It requires claimants to engage in job seeking and other work-related activities (**welfare conditionality**).
  - It will also involve new expectations for people in work (**in-work conditionality**) to increase their pay through progressing and/or taking on additional hours of work (UC replaces Working Tax Credits).
- **Programmes:** e.g. Kickstart, Work and Health Programme, Restart, Sector Based Work Academies
- **Services:** Jobcentre Plus and other employment support providers

# The UK's 'Work First' approach

- The UK's Work First approach has traditionally focused on moving unemployed people into any job quickly ('ABC' approach).
- Emphasis is placed on moving people off benefits and into any job role, regardless of job quality or fit (Van Berkel et al, 2017; Jones et al, 2022; Green and Sissons, 2023).
- Expectations for jobseekers to engage in intensive job seeking activities are enforced by financial benefit sanctions alongside minimal support
- Part of overarching policy emphasis on "welfare conditionality": problem of unemployment is framed as an individualised behavioural one



# Work First, Work More

## *In Work Conditionality (IWC)*

- In an ‘unprecedented’ move, UK policymakers are taking further strides down a path of increased behavioural conditionality (DWP, 2010; Clegg, 2015; SACC, 2017) – working on a low income now also framed as a behavioural problem...
- AKA ‘In-Work Progression’ (**ABC**)
- Seemingly evolving into a ‘*Work First, Work More*’ approach (Jones, 2022).
- Working UC claimants may be expected to:
  - a) increase their hours
  - b) look for ways to progress in their current workplace
  - c) search for additional work with a different employer (i.e. take on multiple jobs)
  - d) take up alternative work elsewhere (i.e. move jobs).

# Welfare conditionality and job quality

- **Welfare conditionality:** Behavioural welfare reforms have rapidly swept across OECD countries, increasing the pressure on unemployed people to actively seek paid work (e.g. Dwyer et al, 2022)
- **Job quality:** increasing in-work poverty and the spread of temporary, contingent and precarious forms of paid work are pressing policy concerns (e.g. Adamson and Roper, 2019; Osterman, 2013)

## Welfare conditionality and job quality?

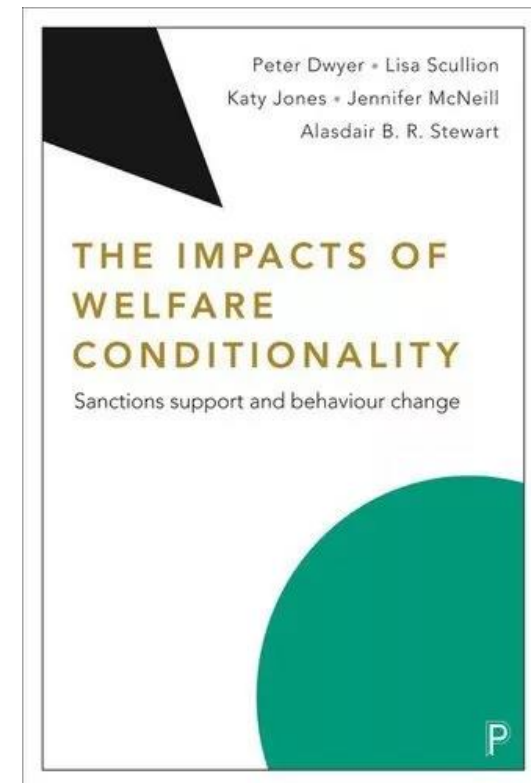
- International evidence shows that although sanctions-backed conditionality can make work entry more likely in the short term, in the long-run it results in lower wages and increasing flows into economic inactivity (NAO, 2016)
- Coercive, 'hard' ALMP instruments incentivising rapid re-employment with the threat of withdrawing unemployment benefits are associated with higher likelihood of involuntary part-time employment (Haapanala, 2021)
- Researchers increasingly drawing links between the UK's poor productivity performance, its 'long tail' of low paid and insecure work, and a welfare system which curtails the choice and bargaining power of unemployed and low-income workers (Wiggan, 2015; Greer, 2016; Briken and Taylor, 2018; Jones and Kumar, 2022; Sissons and Green, 2022)

# *The Impact of Welfare Conditionality on Experiences of Job Quality*

- 3 waves of qualitative longitudinal interviews with 46 UK social security recipients (133 interviews)
  - *(i) how does welfare conditionality impact welfare recipients' experience of job quality?*
  - *(ii) which specific dimensions of job quality do welfare recipients experience as most acutely undermined?*

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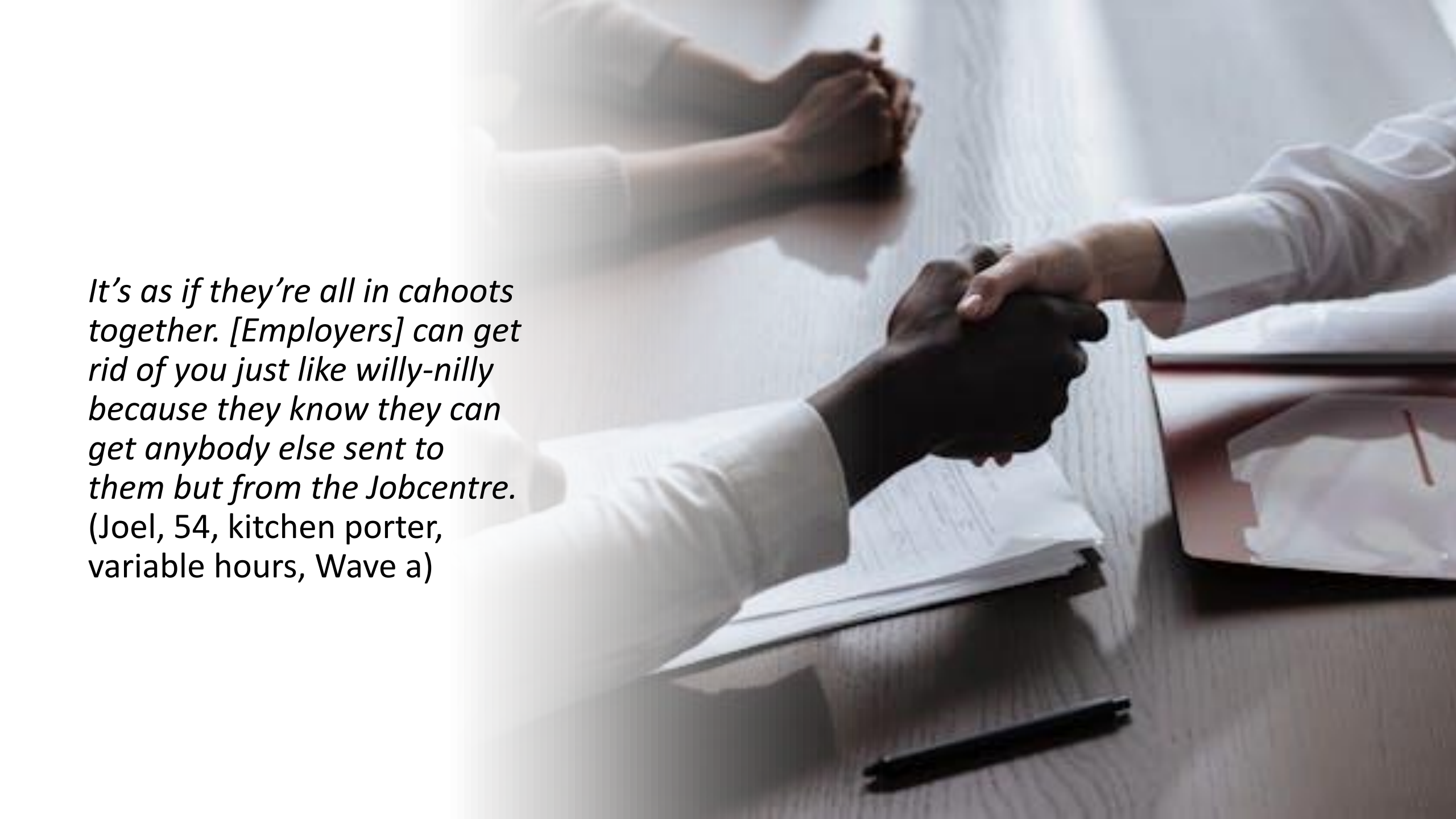
# Theoretical framework

Dimension of job quality	Definition
Pay and other rewards	Including objective aspects (such as wage level, type of payment, e.g. fixed salary, performance pay, and non-wage fringe benefits, e.g. employer-provided pension, health cover) and subjective aspects (such as pay satisfaction)
Intrinsic characteristics of work	Including objective aspects (such as skills, autonomy, control, variety, work effort) and subjective aspects (such as meaningfulness, fulfilment, social support and powerfulness)
Terms of employment	Including objective aspects (such as contractual stability and opportunities for training, development and progression) and subjective aspects (such as perception of job security)
Health and safety	Including physical and psycho-social risks
Work–life balance	Including working time arrangements such as duration, scheduling and flexibility, as well as work intensity
Representation and voice	Including employee consultation, trade union representation and employee involvement in decision-making

Source: Warhurst et al, 2017



Key findings	Illustrative quotes
Terms of employment: Welfare conditionality undermines work stability, sustainability and progression	'I still consider myself unemployed because when I go to do temp work I know that it's only for a few weeks' (Carol, wave b)
Pay and rewards: Welfare conditionality limits income	'I'm trying to survive on this small wage' wave a (Joel, kitchen porter, variable hours).
Intrinsic characteristics of work: Welfare conditionality undermines power, control and access to meaningful work	'I felt I had no option and again I can't make myself unemployed because they won't give me [any benefits]. So, I've got to stick at it until I find something else' (Leanne, 37, retail, short hours contract, variable hours, Wave b).
WLB undermined (Work–life–welfare balance)	'Because I only work in the evenings on a Tuesday and a Thursday, I've got to do my job search on a Tuesday and a Thursday' (Sarah, 42, cleaning, multiple jobs, Wave a).

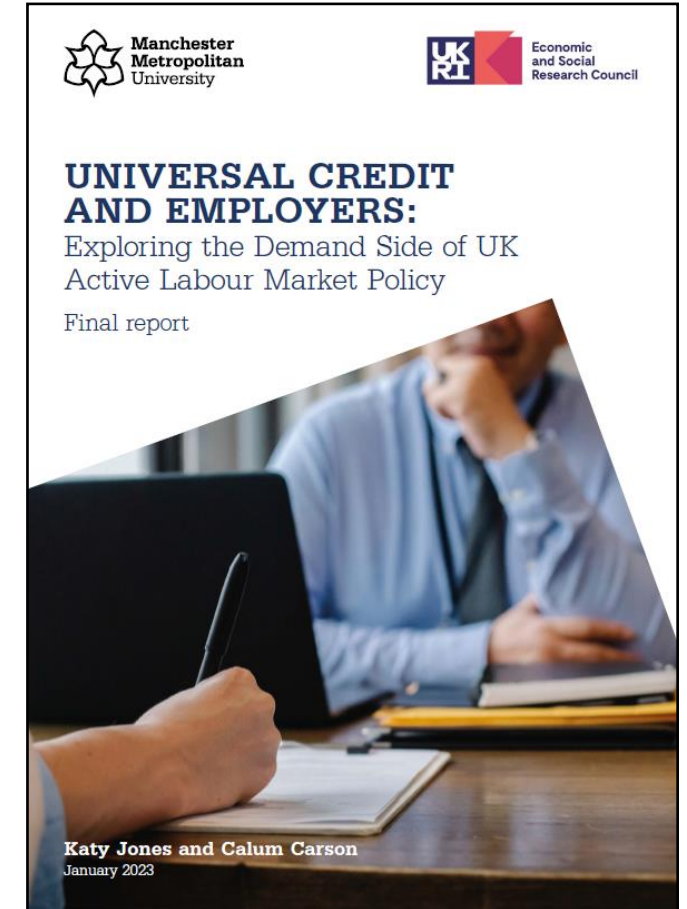
A photograph showing two people shaking hands over a table. The person on the left has a dark skin tone, and the person on the right has a light skin tone. They are both wearing white long-sleeved shirts. The table is covered with papers, a pen, and a folder. The background is bright and slightly blurred.

*It's as if they're all in cahoots together. [Employers] can get rid of you just like willy-nilly because they know they can get anybody else sent to them but from the Jobcentre. (Joel, 54, kitchen porter, variable hours, Wave a)*

# UC and Employers project

## Research Questions:

1. How is UK Active Labour Market Policy (ALMP) understood and experienced by employers?
2. How does ALMP impact on UK businesses, including how they recruit, retain and progress their staff?
3. How does the impact of ALMP on employers vary in different sectors?
4. How can the public employment service (Jobcentres) work effectively with employers, and lead to better outcomes for individuals and the wider economy?



The support of the Economic and Social Research Council (ESRC) is gratefully acknowledged (Grant Ref: ES/V004093/1)

# Methodology: 124 semi-structured qualitative interviews (Aug 2021-May 2022)



**84**  
**Employers<sup>7</sup>**

mostly drawn from traditionally low paying sectors that are a common destination for jobseekers: social care (20), hospitality (21) and retail and warehousing (22). Recognising that UC is a household benefit and can be claimed by those on a low income in any job, a quarter of the sample (21) consisted of employers in other sectors.



**20**  
**Local stakeholders**

including local policymakers/actors drawn from Greater Manchester and West Yorkshire (e.g. local councils/combined authorities), local employer representatives, including representatives from Business Improvement Districts, local employment support services (e.g. staff from local Jobcentres/other contracted employment support providers), and a trade union representative.



**20**  
**National stakeholders**

including policymakers (e.g. senior officials in the Department for Work and Pensions, a former Minister and former Shadow Secretary of State), national employer representative organisations and key sector representatives, unions, employment support sector representatives, and independent research organisations.

# Key findings

- Employers were critical of the Work First approach: it is costly to manage, and does not support effective recruitment
- Employers advocated an approach that placed more emphasis on supporting candidates into roles that matched their skills, capabilities and wider circumstances
- There is potential for the DWP, Jobcentres and other employment support providers to encourage better quality employment, however this may ultimately be undermined by a continued emphasis on moving people into 'any job'



# A welcome advancement for some

Pressing resourcing and recruitment challenges (e.g. in social care)

Increases the pool of labour able and willing to take on low-paid entry level roles (aligns with existing business models):

***“[A]nything that increases the pool of potential candidates for us is a good thing... we’re kind of fishing, anything that increases the amount of fish is great.”*** (Hospitality employer)

Concern that more exploitative employers would feel emboldened:

***“[Some employers are] used to that conveyer belt approach really of the revolving door of not everyone making it, and they probably factor that in to everything that they do. It just seems a waste of effort really. They're just playing the numbers game, aren't they... It's just geared for high turnover really.”*** (Retail employer)



# Trouble ahead: potential opposition to IWC

Tension between rigid requirements to take on more work (i.e. until claimants are working a full-time 35-hour week) and the UK's long-standing flexible employment model.

***“the flexibility...would definitely be shot”*** (Retail employer).

Higher pay does not align with low-cost business models:

***“We've got 150 staff, so if we just gave all of them an extra two hours work a week, that's like 300 hours and it's roughly £10 an hour, so that's £3,000 a week extra. It just isn't there to spend.”***

(Hospitality employer)

Employer dependence on the benefits system:

***“They shouldn't have to have two jobs, should they? Universal Credit should fill the gap between part-time work and what they need to survive on. That's the idea of Universal Credit, surely.”***

(Retail employer).



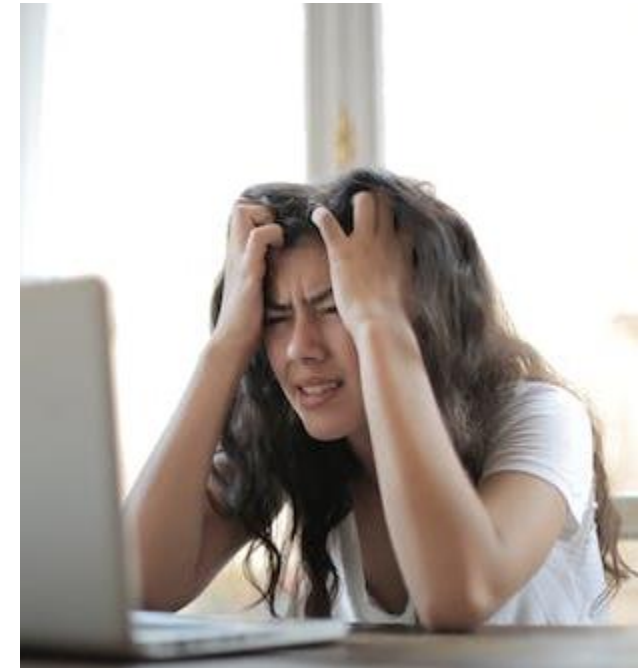
# Trouble ahead: potential opposition to IWC

Predictions of a less committed workforce, increased turnover and poorer staff well-being: a “coerced” worker isn’t a happy and productive one:

***“[I]f you force people to say, 'You must do dah, dah, dah, dah, dah otherwise I'm going to take all your money off you', when retail is a stressful environment already. Well-being in the retail sector is not good at the moment. Everybody is burnt out. Everybody is stressed.”*** (Retail employer)

Critical of potential intrusiveness of IWC:

***[I]f they're having expectations put on them from [Jobcentres]... and it doesn't work for the business... They're saying, 'Well, I need this' and you just have to say no. it's not going to create a good relationship, is it?”*** (Hospitality employer)





# Improving progression outcomes in work is dependent on changes in employer practices

Several different strategies for individual organisations to do more to support this agenda, including:

- ✓ offering better pay
- ✓ more stable contracts
- ✓ better quality flexible work
- ✓ access to quality training opportunities
- ✓ clearer progression pathways

*“If you're going to employ someone, you're taking on a responsibility to ensure that person has a salary and can pay their own bills and all that kind of stuff...when you enter into that, it is an obligation. You have to support them and help them succeed.”* (Retail employer)

## **(Some) recommendations for policy and practice**

- Shift the focus from moving people into *any* jobs, to supporting people into *good* jobs
- Enable jobseekers to focus on the *quality* rather than the *quantity* of job applications – more emphasis on roles and sectors which match their capabilities/experience (personalised employability interventions, more investment in CV support and training, matching services)
- Work with employers: 1) Listen and support 2) Challenge and encourage 3) Hide the wiring and join the dots (e.g. involve them in the design of programmes, make it easy to engage (minimise bureaucracy, make contacts/entry points clear and consistent))

~~Work First~~  
Good Work





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- Questions?
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