

Submission to call for evidence on the Claimant Commitment

The evidence below relates to the impact of claimant requirements on businesses and business perspectives about these requirements. The evidence was generated from surveys of businesses in the UK and Denmark and from in-depth, qualitative interviews with businesses.

Evidence

1. It is worth stating at the outset that the perspectives of businesses are critical to this policy area because businesses are important end-recipients of it. Ultimately, the Claimant Commitment is a tool that aims to move individuals into employment and businesses are central to this endeavour.
2. UK businesses talked about receiving large numbers (often hundreds) of applications, which they attributed to jobseekers' requirements to apply for a certain number of vacancies each week in order to receive benefits. Businesses strongly perceived that benefit conditionality and claimant job search requirements had led to them receiving these large numbers of unsuitable and unfiltered job applications. This had negative resource impacts on their organisations because they had to expend significant amounts of time filtering out inappropriate applications. This filtering process was particularly onerous for smaller-sized businesses without HR departments, or without automated application systems (see also The Department for Work and Pensions' own commissioned research with UK businesses, 2019).
3. A number of businesses reported that they had received applications from unemployed candidates who did not possess the required attributes specified in the job description or the person specification. An example given was receiving applications from candidates who were unable to drive for a vacancy that specified that a driving licence was a requirement.
4. Although the data collection took place in a favourable economic context, businesses likened these experiences with the high rate of applications to advertised vacancies normally experienced during recessions.
5. Many businesses perceived that the system made unemployed individuals 'jump through hoops' in order to 'tick boxes'. Ultimately, this had a negative impact on businesses themselves. Businesses also voiced concerns that the act of applying for jobs that claimants have no hope of securing succeeds in further denting the confidence and hope of already-scarred individuals.
6. In Denmark, businesses voiced concerns that some individuals were very far from the labour market and required other forms of interventions before they were work- (or placement-) ready. Particular concerns were around individuals with chronic health conditions. In terms of the risk of business

disengagement, this was not as problematic in the Danish context as it would be for UK businesses given that our research also demonstrated the extremely low trust in government and public policies in the UK compared with Denmark.

Recommendations

7. Under the Universal Credit Claimant Commitment, Jobcentre Plus Work Coaches have autonomy to require claimants to undertake whatever activities they believe will move them closer to work. Importantly, this hinges on what is defined as, or inferred by frontline staff or individuals, to be 'job search activity'. Clearly, providing evidence of having applied for jobs may appear to be a more convincing form of evidence than searching for jobs alone. Without policymakers clarifying these requirements, businesses are likely to continue to receive large numbers of job applications and to continue to be frustrated by this.
8. It is worth noting that in the late 2000s the Ministry of Employment in Denmark introduced new requirements for job seekers to apply for a certain number of jobs per week. There was an immediate backlash from employers about the resource implications for them of this requirement. As a result of this, the Ministry removed the requirements.
10. In future, any job search agreements under the Claimant Commitment must be tailored to individual requirements. They must also be informed by good labour market intelligence about the jobs available, as well as a thorough assessment of the work abilities, and wants, of the individual.
11. Changes need to be urgently made to conditionality requirements to avoid businesses receiving large numbers of job applications from benefit claimants in order to fulfil these requirements. Otherwise, there is the significant risk of further damaging businesses' views of employability initiatives.
12. The first critical aspect of this is the need for any job search requirements to be augmented by individually targeted employability support to particular individuals.
13. A second critical aspect is better targeting of applications to businesses. This process needs to be underpinned by a clear Employer Engagement Strategy for the Jobcentre Plus network, which can be translated to local office contexts. The employer engagement function in local offices needs to be well-resourced and staff need to be trained in engaging businesses effectively. This is a critical aspect of matching of individuals to employment that has been identified as a shortcoming in DWP's own commissioned research. For example, the Personalisation Pathfinder Evaluation (2018) highlighted that "Engagement with employers among staff was limited due to a perceived lack of time and too large of a geographical area to cover." Limitations of the current employer engagement strategy were also highlighted by the DWP's commissioned In-Work Progression randomised controlled trial (2018).

The evidence cited above is drawn from ESRC-funded research: <https://business.leeds.ac.uk/research-and-innovation/research-projects/how-do-inter-organisational-relations-affect-employer-engagement-uk-and-denmark/>

Associate Professor Jo Ingold
Leeds University Business School
16th April 2019

References

Department for Work and Pensions (2019) Employer Engagement Survey 2018. DWP Report 977. London: DWP.

Department for Work and Pensions (2018) Universal Credit: In-work Progression Randomised Controlled Trial: Findings from quantitative survey in qualitative research. Research reports 966. London: DWP.

Department for Work and Pensions (2018) Evaluation of the Personalisation Pathfinder trial: Supporting people with mental health conditions and disabilities into employment. Research Report 957. London: DWP.

Ingold et al (2017) *Employer Engagement in Active labour Market Programmes in the UK and Denmark: Final Report, CERIC Policy Report No. 8*, Leeds: Centre for Employment Relations Innovation and Change.