

# Employers' perspectives on benefit conditionality in the UK and Denmark

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## Abstract

This article examines the under-explored demand-side of active labour market policies (ALMPs). Based on interview data from a comparative study of the UK and Denmark, the paper analyses employers' perspectives and experiences of ALMPs. In both countries, employers were favourably disposed towards employing unemployed jobseekers but held negative views on conditionality. First, benefit conditionality led to employers receiving large numbers of unsuitable and unfiltered job applications, with associated negative resource impacts. Second, employers perceived this as a product of 'box ticking' and compliance targets. Finally, employers criticised policy and media rhetoric for focusing solely on the supply-side and for problematizing unemployed candidates. The paper argues that these crucial, but neglected, employer perspectives demonstrate that the current benefit conditionality regime in the UK risks irrevocably 'tarnishing' candidates, which undermines, rather than enhances, their chances of securing employment through ALMPs. This unique dataset provides further evidence that the current direction of policy requires urgent and radical re-thinking.

## KEYWORDS

active labour market policy, conditionality, employers, public employment service

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## 1 | INTRODUCTION

Active labour market policies (ALMPs) have been viewed by many governments and supra-national actors as being successful in reducing long-term unemployment (Martin, 2014). However, they have attracted much criticism for offering short-term, supply-sided solutions, with limited impact on employability (Peck & Theodore, 2000). It has been argued that they fail to assist those furthest from the labour market and they are predominantly successful in favourable economic conditions (Martin, 2014). This article examines the considerably under-explored demand-side of ALMPs in two countries that pioneered them: the UK and Denmark. The paper adds to a growing number of studies focused on the demand side (Bredgaard, 2018; van der Aa & Van Berkel, 2014) and augments these by analysing employers' perspectives on benefit conditionality. Conditionality refers to the increased requirements on benefit recipients to undertake activities in order to retain their access to benefits. Sanctions refer to punishments applied under the umbrella of conditionality for what is deemed to be a lack of compliance with these activities, most commonly the removal of financial support through benefits (Dwyer & Wright, 2014). In both the UK and Denmark, conditionality reinforces job search activity and represents a key instrument of ALMPs in keeping individuals close to the labour market. Within the activation paradigm, conditionality and sanctions aim to keep unemployed people 'active' in their search for employment but the extent to which sanctions form a key plank of ALMP delivery differs across countries (Borghi & van Berkel, 2007). Studies increasingly suggest that conditionality (Dwyer, 2019; Dwyer & Wright, 2014) and sanctions (NAO, 2016) have significant and negative effects on individuals and society. The focus of literature on conditionality to date has, rightly, been on the contractual relationship between the individual and, more specifically, on the balance between the enforcement of individuals' responsibilities and the rights ascribed to them in this relationship (Serrano Pascual & Mahnsson, 2007; Van Oorschott & Abrahamson, 2003). Employers are implicit in this relationship but, to date, no studies have considered employers' perspectives on conditionality, sanctions, or jobseekers' compliance with ALMP requirements.

As powerful, 'upstream actors' (Wright, 2012), employers are crucial to the policy goal of increasing the employment of jobseekers who are participants in ALMPs. Given that the success of ALMPs requires employers to employ jobseekers (Author), it is therefore surprising that this key plank of ALMPs has not been considered in relation to employers. It is critical to analyse employers' perspectives on conditionality to establish whether employers do consider it to be a helpful instrument of labour market policy that encourages them to recruit jobseekers from ALMPs. It was anticipated that in both countries, employers would be positively disposed to conditionality. The research questions for the study were: (1) What are employers' perceptions about unemployed jobseekers? (2) Are employers positive about conditionality as an instrument to move jobseekers closer to work? (2) What do employers' perceptions suggest about supply-sided and demand-sided approaches to ALMPs?

The data found that in both countries, employers were favourably disposed towards employing unemployed individuals but held negative views about conditionality. First, benefit conditionality had led to employers receiving large numbers of unsuitable and unfiltered job applications, with associated negative resource impacts on their business. Second, employers perceived that this was a product of 'box ticking' and performance targets associated with conditionality. Finally, employers criticised policy and media rhetoric for focusing solely on the supply-side and for problematizing unemployed candidates. The article argues that these crucial but under-explored employer perspectives demonstrate that the current benefit conditionality regime in the UK risks irrevocably 'tarnishing' candidates, which undermines, rather than enhances, their chances of securing employment through ALMPs.

The article proceeds as follows. The next section reviews the existing literature about employers and conditionality and the section following sets out the methods for the study. The findings are then presented, structured as three sections: (a) Employers' perceptions of unemployed jobseekers; (b) Conditionality and compliance targets; and (c) Policy problem construction.

### 1.1 | Employers and conditionality

In a capitalist economy, social protection systems ensure a good supply of future workers, ensuring that the unemployed are fit and able to work, as well as underpinning demand during economic slowdowns (Farnsworth,

2012:46). ALMPs serve a similar function, with the aim of assisting the unemployed into work, or keeping them close to the labour market and 'job-ready' until they can find work. Benefit conditionality is a key plank of ALMPs, in that it enforces compliance with employability interventions and benefit sanctions are a punitive dimension of conditionality that constitute a significant push factor in activation by reinforcing compliance with activation interventions. Bredgaard (2018) categorises benefit sanctions as supply-side ALMP instruments to improve the qualification or motivation of jobseekers (p.367) and Dinan (2019) suggests that sanctions are financial incentives because they relate to cost-benefit calculations and often result in a financial penalty (p.8). As such, sanctions are not explicitly targeted towards employers and studies to date have focused on their impact on jobseekers. However, both ALMPs and conditionality have the potential to offer employers access to an increased pool of labour by enforcing labour market readiness. In this study, it is hypothesised that conditionality, more broadly, has some impacts on employers' behaviour. Forde (2001: 639) has highlighted that a key strategy of labour market intermediaries (LMIs) such as high-street recruitment, or temporary hire agencies is to generate a surplus of workers 'on the books' to meet clients' demands. Ingold (2018) has described ALMP delivery organisations or 'ALMP agencies'—such as the public employment services and contracted providers of employment services—as LMIs. These LMIs have the potential to reduce the costs of recruitment for employers by providing them with a ready-matched pool of candidates for their labour requirements, compared with the significant costs associated with recruitment (CIPD, 2017). A key question for this study concerns the anticipated perspectives of employers in relation to conditionality; do employers consider benefit conditionality to be a positive instrument in facilitating the job-readiness of unemployed jobseekers? Studies of benefit conditionality strongly argue that, despite the political and policy rhetoric focused on conditionality as 'incentive reinforcement' (Bonoli, 2010), it has considerably negative impacts on individual jobseekers. Historically, Danish employers have played a central role in employment policy and activation programmes (ALMPs) through their involvement in decision-making and agenda-setting as social partners at national, regional and local levels (Bredgaard, 2018). Additionally, in Denmark there still exists a strong role for collective bargaining and workplace collective agreements, including in relation to activation programmes. Denmark also has the most liberal labour market regulation in Europe outside of the UK, which may bolster employers' positivity towards conditionality on the basis that it may perpetuate a liberal and flexible labour market. Together, this may mean that in Denmark, employers are more positively disposed towards conditionality. By comparison, the UK lacks strong collective bargaining structures and employers are not formally involved in the development of ALMPs at any level. However, the UK's 'work first' model for ALMPs encourages jobseekers to move into any job, which may appeal to employers who wish to recruit job-ready labour. As in Denmark, it may also perpetuate the UK's liberal labour market. Despite the institutional differences between the UK and Denmark, it can therefore be hypothesised that employers in both countries are positively disposed towards conditionality.

Jones (2016) has argued that, from an employer's perspective, conditionality and sanctions can be attractive if they lead to more people competing for jobs, further pushing down wages (p.202). Conditionality could, in theory, coerce sceptical candidates to consider particular types of work that they may not otherwise have considered, whether this is due to perceptions about particular roles or workplaces, or the perceived or real impact of benefit traps (UKCES, 2012: 89). As taxpayers, employers may also view the social security and activation systems as a way of obtaining a return on their investment (Farnsworth, 2012). As taxpayers, employers arguably have a vested interest in reducing public expenditure and historically some employer associations have supported benefit cuts as incentives to work (Farnsworth, 2004: 114). However, the above assumes that the impact of conditionality will always be positive for employers. Additionally, a key problem identified by Larsen and Vesán (2012) in a cross-national study is that the public employment service will always fail because it is perceived by employers as a 'place of last resort' for individuals who cannot find jobs elsewhere. Consequently, employers lack trust in individuals who are routed to them, considering them to be 'lemons' (Akerlof, 1970) and perceiving that ALMP agencies have a vested interest in withholding negative information about candidates in order to place them in jobs. A further dimension to this is the risk for employers that ALMP agencies will send candidates who are not 'work-ready', in order to meet placement targets set by government.

In common with other countries, Denmark and the UK both have a public employment service. In Denmark, labour market policy is fully devolved to municipalities and there is a network of Jobcenters, which became 'one stop shops' in the late 2000s. During the same period, Denmark experimented with the contracting-out of ALMPs (Larsen & Wright, 2014) but this has since been considerably reduced. In the UK, one stop shops were introduced in the form of Jobcentre Plus in 2001 as an arms-length agency of the Department for Work and Pensions (DWP), which has since been integrated into the DWP. In Denmark the introduction of one stop shops occurred a few years later alongside the devolution of employment policy to the municipal level. Dwyer and Wright (2014) have highlighted how the increase in conditionality and sanctions in the UK has been facilitated by digital tools, particularly in relation to the new single working-age benefit, Universal Credit (UC). This not only pertains to digital claim processes but also to the growing use of online job boards, which commonly used by the high street recruitment sector. In the UK, prior to the advent of Jobcentre Plus, employers would notify vacancies to their local jobcentre (Price, 2000). 'Employer Direct' was rolled out alongside Jobcentre Plus, allowing employers to notify vacancies by telephone. In 2011 Universal Jobmatch (UJ) was introduced as a digital resource for employers to advertise vacancies and for unemployed people to search and apply for jobs. An important feature of UJ was a compliance and monitoring function that allowed Jobcentre Plus frontline staff to view individuals' job search activities when they attended for appointments. In 2018, UJ was replaced by 'Find a Job', designed to run alongside UC rollout, with a similar function that allows Work Coaches to monitor individuals' compliance with their UC Claimant Commitment. In Denmark, there is a similar platform called 'Jobnet', however it is less used as a compliance instrument than in the UK. In Denmark, unemployed individuals with unemployment insurance predominantly have contact with their unemployment insurance fund (*Akasse*), who can impose conditionality and jobsearch requirements and sanction individuals if necessary. Individuals who are unemployed and without insurance, or who have exhausted their entitlement, may claim social assistance and then fall under the conditionality requirements of their local Jobcenter. One challenge in Denmark has been that the conditionality requirements of *Akasse* and those of Jobcenters have sometimes been contradictory or conflicting; more recent modifications to Danish activation have sought to ensure that these requirements are aligned.

Conditionality and sanctions have rightly attracted attention from scholars. However, the large-scale Welfare Conditionality research project (2018) that examined the UK context did not include the perspectives of employers. For this study, the UK and Denmark were selected as comparators because the two countries have been at the vanguard of ALMP design and delivery (Lindsay & McQuaid, 2008). The article draws on a comparative mixed methods study, specifically focusing on data from 60 in-depth qualitative interviews with employers. The next section discusses the methods employed by the study and this is followed by the findings along three key themes.

## 2 | METHODS

This article is based on findings from a comparative mixed-method study of employer engagement in active labour market programmes (ALMPs) in the UK and Denmark. The first phase of the research comprised a survey of over 1,500 employers in both countries (see Author): 1,000 in the UK and 500 in Denmark, in which employers were purposively sampled to be representative of the wider business population in each country and sectors that were more likely to recruit from ALMPs were over-sampled. This article draws on data from the second phase of the study. The sample included participants from the first phase telephone interviews who had agreed to be interviewed and this was boosted in order to be representative of the business populations of each country. The research was comprised of 60 in-depth and semi-structured qualitative interviews (40 in the UK and 20 in Denmark) with employers from a diverse and representative range of sizes and sectors in both countries. Interviews were conducted with the person responsible for recruitment in each establishment. Interview length ranged from 20 min to 2 hr. All except four employer interviews were recorded and transcribed verbatim; where permission was not given to record interviews, detailed field notes were taken. The analysis was undertaken in Nvivo software, splitting the UK and Denmark data

Business size	UK	Denmark
Micro	2	0
Small	13	10
Medium	11	5
Large	14	5

**TABLE 1** Size of businesses in sample

Sector	UK	Denmark
Private	36	9
Public	2	10
Third	2	1

**TABLE 2** Sector of businesses in sample

into two separate sets. Each dataset was coded using open coding in Nvivo and both datasets were then analysed together in Nvivo using coding trees. In all cases, the confidentiality and anonymity of organisations and individuals were protected throughout the research process and institutional and learned society ethical guidelines were adhered to.

Details of the interview sample sizes and sector in the UK and Denmark are presented in Tables 1 and 2. In terms of the specific industrial sectors, the most prominent type in the UK sample was manufacturing, followed by human health and social work; wholesale and retail trade; and professional, scientific and technical services. In Denmark, the most prominent type was human health and social work, followed by wholesale and retail trade; education; and professional, scientific and technical services.

In the interviews, participants were asked a range of questions about their participation and engagement in employability and skills initiatives and about their experiences and views of them. Caution is required concerning employers' propensity to give socially desirable answers (Bonoli, 2014: 422) but the interview data provided an opportunity to triangulate survey responses from phase 1, as well as to pose probing questions.

The research questions for the study were: (1) What are employers' perceptions about unemployed jobseekers? (2) Are employers positive about conditionality as an instrument to move jobseekers closer to work? (3) What do employers' perceptions suggest about supply-sided and demand-sided approaches to ALMPs? The following three sections present the findings from the study, structured as follows: (a) Employers' perspectives of jobseekers; (b) Conditionality and performance management; (c) Policy problem construction.

### 3 | FINDINGS

#### 3.1 | Employers' perspectives of jobseekers

In both countries, an important finding was that employers were predominantly positive about employing unemployed individuals and did not hold negative views about these candidates. This finding is supported by some studies (for example, Atkinson, Giles, & Meager, 1996) but contradicts others (for example, Bonoli and Hinrichs, 2010), particularly in terms of candidates who are furthest from the labour market. Employers wished to know the reasons why individuals had spent periods outside the labour market but they had an understanding of how individual circumstances, as well as wider labour market restructuring, could lead to individuals becoming unemployed. Despite this, employers were critical of ALMPs, particularly in the UK. The following quote indicates what has been referred to as 'policy hyperactivism' (Dunleavy, 1995), or 'initiative-it is':

I would imagine it works pretty much like this – it's a Government scheme, it would fail, it would be a disaster and 18 months down the line, 2 years down the line it would be something else and it will be

renamed and it will be something else because that did not work (medium-sized third sector organisation, UK).

A much smaller number of ALMPs in Denmark compared with the UK meant that Danish employers were more familiar with initiatives than UK employers. In general, Danish employers were more positive about ALMPs than their UK counterparts but their criticisms were qualitatively different. Whereas UK employers were critical of the short-termist nature of constantly-changing policies and initiatives, Danish employers were sceptical about the perceived short-term benefits of Danish activation programmes. They perceived that this had led to Jobcenters focusing on brokering short-term wage-subsidised jobs or short-term paid work placements from employers, rather than jobs of a more permanent nature:

my impression with the Jobcenters is that it's like they have a goal set up from their leaders that they have to put this many and this many people out in the companies. And sometimes it does not seem as if they want to get a permanent hire, that's not a priority, they just want to get people out to work. (large manufacturing company, Denmark).

Turning more specifically to the impact of conditionality on employers, UK employers were particularly critical of the implicit assumptions made by governments about how businesses are likely to behave in relation to recruiting disadvantaged candidates. These negative perceptions were also linked with their perceptions of the public employment service. In the UK, employers talked about historically having had a good service from Jobcentre Plus staff, which had tended to be face-to-face and personalised to their requirements. However, UK employers' more recent experiences of the public employment service were predominantly negative. Criticisms included employers not receiving any follow-up from Jobcentre Plus regarding candidates who had been sent to interviews. Resource within the Jobcentre Plus network to follow up with employers was reduced in 2011 (Government Spending Review 2015: 89) as part of successive job reduction programmes and funding cuts. Despite this, some employers reported that they had received some follow-up from individual staff in Jobcentre Plus local offices, although this was rare. By contrast, Danish employers were on the whole more positive about the service they had received from Jobcenters. However, employers in both countries were very critical of 'digital by default' service delivery, emphasising that in and of itself this was an inadequate service for employers' needs. This is important, as conditionality, particularly in the UK, is increasingly augmented by digital tools, as described earlier.

Employers in both countries reported that they had actively placed vacancies with the public employment service, or with the respective online job boards. At the time of the research, Denmark had not moved as far towards digital service delivery for employers as was the case in the UK. Some UK employers routinely placed job vacancies with Jobcentre Plus (with mixed results in terms of successful outcomes), while others no longer actively did so, as a result of dissatisfaction with the service or the outcomes. Whether or not employers had actively placed their vacancies with the public employment service, in both countries employers reported that in recent years they had been receiving considerably higher numbers of vacancies from unemployed candidates per job vacancy. Employers perceived this to be a result of increased conditionality and the imposition of sanctions on jobseekers (this is elaborated in the next section). For employers, the critical impact of this was the requirement to filter large numbers of job applications, which had significant resource implications for businesses:

I needed someone who could drive a truck, I called the Jobcenter and they make something in the internet, or maybe in the paper. And I think about 150 people tried to get the job so actually it was - firstly you used a lot of time to read all, and you also have to tell them yes I have seen it and I know it should not be you (large retailer, Denmark).

Given that the employer interviews took place in a favourable economic context, employers were able to contrast these experiences with the high rate of applications to advertised vacancies normally experienced during recessions. A UK employer similarly recounted:

we were inundated with hundreds of e-mails ... you gradually sort of whittle them down until you get to where you have got down to a selection and then carry out a number of interviews based on that ... Obviously there may be people there within the Jobcentre maybe guide people too far, 'have you tried this or that?', I do not know. But we are not really familiar with that end of it, all you see is the end result coming our direction (micro engineering company, UK).

This filtering process was particularly onerous for smaller-sized employers without HR departments, or without automated application systems. The DWP's own commissioned research with UK employers (2019) emphasises their perceptions that the screening process for candidates could be considerably improved.

In the interviews, a number of employers drew on recent experiences that they, or family members or friends had had in engaging with the benefits system and with Jobcentre Plus offices. This added to employers' perceptions that conditionality and sanctions were driving the increasing number of unfiltered applications that they received for their job vacancies:

I just got the feeling that people did not really know what they were applying for ... there seems to be no follow up ... I can only talk from personal experience as well because I've been through the job centre, it's where I got this job in fact. But to be honest it was just ticking boxes. They did not really care (medium-sized call centre, UK).

The issue of 'box ticking' will be elaborated upon in the next section. To summarise, data presented in this first section highlights that employers in both the UK and Denmark experienced significant issues arising from an increased number of applications from unemployed candidates. This was problematic for employers, largely because they resulted in resource-intensive activities in order to process them. Conditionality therefore appears to produce unnecessary and cumbersome administration for employers, which is particularly interesting in the Danish case given that one of the justifications for ALMPs was that they should reduce bureaucracy. Conditionality is also likely to reduce, rather than increase, the efficiency of employers' recruitment processes and divert them away from more productive activities, including strategies to make their workplaces genuinely inclusive. The next section explores further employers' views about the perceived drivers underpinning the issues raised in this first section.

### 3.2 | Conditionality and compliance

Employers in the UK and Denmark were critical of systems that made individuals 'jump through hoops' in order to 'tick boxes', rather than offering individually-targeted employability support. In both countries employers reported instances of candidates of 'poor quality', or who were unsuitable, or ill-prepared for interviews. Employers also gave examples of candidates who did not turn up for scheduled interviews. Employers perceived that these instances were a result of individuals applying for vacancies because they were under pressure to do so:

it's just simply a tick box exercise because the Jobcentre said I had to apply for a new job. It just does not work and it's so easy to do a one click process ... by working with people who have convictions, or they are long-term unemployed or they are in a particular category, when they have got to the point where they are being supported by someone like [names of organisations], whoever it is we are working with, they seem to be more engaged in looking for a job. (medium-sized, call centre, UK).

The above quote points to not only the shortcomings of a conditionality-first approach, but also to the potential advantages of intermediary organisations, such as Jobcentre Plus, contracted providers, or other organisations involved in benefit conditionality and in ALMP delivery. This also highlights the importance of these ALMP agencies (Ingold, 2018) in working with employers to ascertain their requirements and to translate these into their

interventions for unemployed individuals and to their employer-facing services (see Author). The above quote underlines the frustration for employers when this does not occur. In Denmark, employers viewed overarching activation policy as being more stable and less subject to constant change in terms of the actual programmes delivered. However, this did not prevent constant changes to regulations relating to Jobcenters' service delivery:

I think it's very difficult sometimes to define what they really there for, the Jobcenters. Are they there for getting people to work or are they there for administering all these arrangements? They've been taking a lot of beatings and the national politicians have made some laws and some procedures that are very detailed and that will punish them for not having the right number of interviews with unemployed people or whatever ... and I'm afraid that maybe some of the initiative on the part of them and looking at how can we really solve this has sort of disappeared because they have been focused on following all these regulations. (small, public administration, Denmark).

A number of employers reported that they had received applications from unemployed candidates who did not possess the required attributes specified in the job description, such as a lack of relevant industry experience, or candidates without key requirements set out in the person specification. An example given of the latter was receiving applications from candidates who were unable to drive for a vacancy that specified that a driving licence was a requirement. The counter-argument to this is that employers' threshold requirements for job applications may be too rigid or prescriptive and therefore may risk excluding promising candidates who may be further from the labour market. On the other hand, an approach of 'spraying and praying' by routing unemployed candidates to employers without tailoring job applications or support to either party risks discouraging employers from giving job opportunities to disadvantaged candidates. Based on their experiences, employers in both countries strongly believed that the large numbers (often hundreds) of applications they received for vacancies were being driven by benefit conditionality and the associated rules and regulations:

Fundamentally it sounds like there's an error with the system that these candidates have to go through in order to go through the motions in applying and receiving Jobseekers Allowance, if that's why they are driven to come to interviews. (large food retailer, UK).

it's also because a lot of the state or the government pressures, everybody out in a job, also people that really have difficulties being in a normal job. You can tell that they are [Jobcenters] pushed from rules and strict rules from the government and so on. (small, education provider, Denmark).

Similarly, the following quote from another Danish employer illustrates that employers felt that government and Jobcenters were pushing costs onto them by sending candidates who were not work-ready, in order to fulfil their own compliance and performance targets, with little regard for the impact on employers:

Basically it seems for most of them they are interested in getting them out of their system. Because they also have a business to run and the sooner they can get them out, the less they need to pay ... how much are they are they paying for so-and-so so the more they can get out in the job market, the better. (large retailer, Denmark).

The above perception was exacerbated by the requirement from many Danish Unemployment Insurance Funds that unemployment insurance recipients must apply for a certain number of jobs per week. There was speculation amongst UK employers as to whether Jobcentre Plus imposed targets for job applications on individual jobseekers. Job search activity requirements are set out in the respective contracts (Jobseeker Agreement for Jobseeker's Allowance and Claimant Commitment for Universal Credit) for individuals but it is unclear whether there are guidelines for a target number of applications per week. However, evidence from the Welfare Conditionality research project



(2018: 28) suggests that claimants felt under considerable pressure to apply for a high volume of job vacancies, some of which were inappropriate and which also applied to those already in paid work ('in-work progression').

In both countries, employers linked the increase in the number of job applications they received to the use of online job boards by the public employment service: Universal Jobmatch in the UK and Jobnet in Denmark. In the UK, this was in line with the DWP's own commissioned research (2019), which suggests that employers' overall satisfaction with Jobcentre Plus' recruitment services and with Universal Jobmatch have fallen since 2015/16 (a similar time period to this study). However, it is unclear how this is currently being addressed either in employment services strategy, or through operational delivery. In Denmark, an important and noteworthy example of employers' views resulting in a policy change was alluded to in the interviews. In the late 2000s the Ministry of Employment introduced a new regulation requiring unemployed claimants to apply for four jobs per week. Following a significant backlash from employers, this was swiftly abandoned by the Ministry. This was possible in Denmark as a result of the coordinated social partnership system, where employers have a seat at the table and a voice in the development and implementation of ALMPs, compared with the more fragmented context of the UK.

This section has highlighted employers' frustration with what they perceived as a 'tick box' system of compliance and performance management of jobseekers that resulted in them receiving an unreasonable number of job applications. Nevertheless, employers appeared to be relatively understanding about how this had led to individual job candidates applying for inappropriate roles. A further, important criticism from employers was that the benefits and ALMP systems were not sufficiently assisting unemployed candidates, but were largely reliant on employers to offer opportunities. This underscores the problematic supply-sided nature of ALMPs. In Denmark, employers were frustrated about regulations that compelled Jobcenters to send individuals to them, some of whom were not work-ready. Furthermore, Danish employers voiced concerns that some individuals were very far from the labour market and required other forms of interventions. The fact that employers perceived that jobseekers were applying for jobs to tick boxes, rather than being a product of individually-tailored employment support is particularly important. The data in this section has not only highlighted the performance management drivers for conditionality but also pointed to the normative drivers. The next section explores further employers' perspectives in relation to the underlying policy problem.

### 3.3 | Policy problem construction: the supply-side and the demand-side

In both countries, an important dimension of employers' perceptions related to the supply-side focus of ALMPs. It is useful here to draw on the work of Bacchi (2009) about policy problem construction, who argues that, rather than policy problems being a 'fact', rather, they are normatively constructed in particular ways by politicians and by policymakers. Citing political rhetoric and media reports, employers felt that the 'problem' of unemployed people being out of work was focused on 'unemployment figures' (supply-side), rather than on employer needs, or whether programmes appropriate to their needs (demand-side). For example:

They introduce these schemes, in my opinion, for all the wrong reasons ... they are bothered about the figures, the unemployment figures, they are bothered about not paying people benefit (medium-sized, third sector organisation, UK).

This augments the point made by a Danish employer in the previous section regarding the pushing of costs by government onto employers. The quote below expands upon this, drawing attention this time to the impression given by some politicians and sections of the media about individuals outside the labour market:

I think they [unemployed groups] get a rough time from the media and the Government as it is with the old 'They're nothing but shirkers and wasters' and all that kind of stuff. I would certainly never want to support that view (medium-sized, education, UK).

This quote underscores the contradiction of suggestions by some sections of the political class and the media that unemployed individuals may be in some way 'defective', but at the same time expecting employers to provide such individuals with job opportunities. Additionally, it exposes the implications of policy rhetoric that focuses solely on problems with the supply-side without sufficiently engaging with the potential implications for the demand-side, or barriers arising from it (see Lindsay, Greve, Cabras, Ellison, & Kellett, 2015; Author). Building on employers' views presented in the preceding sections, the following quote from a large employer highlights how erroneous policy problem construction could, in turn, lead to inappropriate interventions:

They sent this lad along and his confidence was zero so he sat there ... and other than telling us what his name was, he said nothing all day. I got a bit angry, not with him but with the government because I thought they have put him in a position where at the end of the day his confidence will be lower than what it was. (large retailer, UK).

At the same time, as in the previous sections, employers expressed sympathy with the individuals involved, empathising with the situations in which they found themselves, as illustrated by this quote from a Danish employer:

it's very much into the media actually in Denmark right now, especially if you are sick ... And they put all those very very sick people out in companies to see if they can work and they cannot. (small care provider, Denmark).

In relation to the demand-side, in the UK and Denmark the disability employment gap is still significant and it can be argued that many employing organisations are still insufficiently inclusive to individuals with disabilities or long-term health conditions (Foster & Scott, 2015). However, on the supply-side individuals with chronic illnesses or disabilities who are not currently job-ready are particularly negatively affected by conditionality (Dwyer, Jones, McNeill, Scullion, & Stewart, 2016) and ALMP agencies need to offer tailored support both to these individuals and to employers, in order to facilitate workplace inclusion. The following quote from an employer with a background in sales highlights both the significant shortcomings of a strict conditionality regime and how this is compounded if ALMP interventions are not tailored to individual requirements:

I think there are lots of people out there that are looking for work and if you just leave them alone they'll find their own. There are some out there that are not looking for work and they are the ones that you need to focus on. So how many jobs have you applied for and how many interviews have you had? I'm a sales person, let us look at the conversion. If I apply for 100 jobs and you have got no interviews, the conversion is rubbish. So there's something wrong. (medium-sized call centre, UK).

Similarly, the following quote from a Danish employer is critical of a system that placed unnecessary pressure and resources on individuals who did not necessarily need it:

The Jobcenter and the Government they have the rules that you have to do this when you have been unemployed this many months, you have to do this and da de da ... and they have to follow it and sometimes I think they use resources that are not necessary on getting people out. (small care provider, Denmark).

The evidence from employers suggests that the policy problem underpinning ALMPs is constructed the wrong way around: problematizing groups outside of the labour market and expecting employers to recruit them is counter-productive. Instead, the focus should be on establishing employers' workforce requirements and offering appropriate interventions to unemployed individuals, that is to say bringing together supply-side and demand-side approaches.

The data in this and the preceding sections have highlighted that the conditionality and sanctions regimes negatively impact on employers. Although employers were understanding about the drivers of this and the potential negative impacts on individuals, these perceptions may lead to further disengagement of employers from ALMPs, given an already-minimal level of engagement. It also risks irrevocably tarnishing employers' views of recruiting disadvantaged labour market groups.

## 4 | CONCLUSION

This article has drawn on a unique dataset of employer perspectives on ALMPs and conditionality. It provides further evidence of the negative impact of conditionality, contributing to an accumulating weight of evidence from research (Dwyer, 2019) and from independent reports (NAO, 2016). The data have highlighted that, although employers interviewed were positively disposed to employing unemployed jobseekers, they were discouraged by the large number of unfiltered applications that they received from unemployed candidates. Second, employers strongly perceived that these applications were driven by policies and compliance and performance targets from government and the public employment service and, in particular, by benefit conditionality. Finally, employers criticised policy and media rhetoric for focusing solely on the supply-side and for problematizing unemployed candidates, at the same time as employers were being expected by government and policies to give the same candidates job opportunities.

A critical purpose of labour market intermediaries (LMIs) such as the public employment service and providers of employability programmes is to act as conduits between jobseekers and employers (Bonet, Cappelli, & Hamori, 2013). It is critical that these LMIs provide an effective service for both employers and unemployed individuals (Ingold, 2018), in order to assist people into work. LMIs can act as information providers (Bonet et al., 2013; Ingold and Valizade, 2017), bringing to the attention of employers candidates who would usually be filtered out of their selection processes, as well as bringing vacancies to the attention of individuals and preparing them for the recruitment and selection process. However, if ALMP agencies only act as information providers, this can intensify the supply-sided nature of ALMPs, without sufficiently engaging with the demand-side by ascertaining the wants and needs of employers. ALMP agencies can also fulfil a more augmented role as 'matchmakers' (Bonet et al., 2013; Ingold and Valizade, 2017) for employers and for individuals, acting as advocates for individuals who are disadvantaged in the labour market. However it is critical that these efforts are not undermined by short-term measures such as conditionality that reduce individuals' likelihood of moving into work because they reduce employers' likelihood of employing them. These data suggest that the ALMP agencies tasked with assisting jobseekers into work were not providing an effective service to individuals or employers by ensuring that applicants met employers' vacancy criteria. Nevertheless, even the most sophisticated employability assistance would be challenged in the context of the large volume of applications to vacancies emanating from conditionality policies. This provides strong evidence that strict conditionality requirements undermine ALMPs.

It could be argued that conditionality requirements are perhaps being misinterpreted by individuals or by Jobcentre Plus frontline staff. Undoubtedly conditionality and job search requirements have increased (Welfare Conditionality, 2018) and will continue to do so under Universal Credit with the introduction of In-Work Progression, where individuals already in work are required to increase their working hours. It is certainly feasible that, under threats of stringent conditionality and financial sanctions, individuals may feel pressured to apply for jobs for which they are not suitable, in order to be assured that they are providing sufficient evidence of job search requirements, under threat of increased conditionality and sanctions. Without policymakers clarifying these requirements, or moving away from a punitive conditionality regime, employers are likely to continue to receive large numbers of job applications and to continue to be frustrated by this. This can be contrasted with the Danish experience, where, following a backlash from businesses, the government withdrew its requirements for unemployed individuals to apply for a prescribed number of jobs per week. In line with the liberal market economy model of the UK, successive governments have been concerned not to make onerous demands on businesses. However, as highlighted by the data presented in this paper, the reality is that conditionality requirements and sanctions have negative impacts on

employers, both in terms of their general perceptions, as well as specific resource costs. This is not to argue that there should not be an expectation on employers to recruit individuals from disadvantaged labour market groups and this has potential and significant benefits to employers in facilitating their access to a wider pool of candidates, reducing their recruitment costs, meeting their corporate (or local) social responsibility aspirations, or diversifying their workforces (van Berkel et al., 2017). However, currently the conditionality and sanctions regimes are undermining these endeavours, particularly in the UK.

Although Bredgaard and Lystlund Halkjær (2016) consider Denmark to be a 'best case' example of employers' engagement in the implementation of ALMPs, nevertheless Danish employers also had criticisms of Danish ALMPs that had similarities with those of UK employers. Although conditionality and sanctions are as much a part of the Danish model of ALMPs as the UK, a key difference is that the UK system is based almost entirely on means testing. It is therefore unsurprising that conditionality and sanctions have become more of a feature. Contrast this with the social insurance model in countries such as Denmark and Germany, where, although conditionality and sanctions play a role, they are less critical to systems where the contributory principle is more prevalent (Bonoli, 2010: 438). In the longer-term, considering how the current means-tested system could restore a contributory principle is desirable. However, more immediately, it is crucial that changes are urgently made to conditionality requirements. On the basis of a growing weight of evidence of their economic and social impact, they are counter-productive. The act of applying for jobs that claimants have no hope of securing further dent the confidence and hope of already-scarred individuals. Equally, for employers to receive applications that are inappropriate to their requirements is frustrating and may discourage them from engaging with ALMPs, or from giving opportunities to disadvantaged jobseekers (Ingold and Stuart, 2015; Bellis, Sigala, & Dewson, 2011). It makes sense to manage the supply of applications to employers but it is also critical that, in so doing, ALMPs do not merely reinforce employers' discriminatory requirements (Fletcher, 2004). This points to the critical role of LMIs, including the public employment service and other organisations, in providing a more personalised service to both employers and individuals. This requires ALMP agencies, on the one hand, to work with employers to advise on and improve their employment practices and, on the other hand, to work with individuals to improve their employability. It is critical that employer engagement becomes more central to the design and delivery of ALMPs. It is also important that employers provide feedback to candidates who apply for jobs and that this feedback is constructive; again, LMIs can play a role in brokering this as part of ongoing relationships with employers.

The policy problem underpinning ALMPs is currently constructed the wrong way around, in that it problematizes groups outside the labour market, with the implicit assumption and expectation that employers will recruit them. Instead, the problem should be constructed as a demand-side one that is based on good intelligence about the candidates and skills required by employers in the short-, medium- and longer-terms. The supply-sided policy goal of 'getting people into work' is very different from the aim of encouraging employers to recruit individuals, or to provide opportunities such as work experience or placements. The evidence about conditionality and sanctioning to date suggests that it appears to be less about labour market regulation so much as about punishment of claimants. This article has augmented this argument by highlighting the critical impact of conditionality and sanctions on employers. The perceptions of these 'upstream' actors adds to the growing weight of evidence against a strict conditionality and sanction regime, which amounts to a 'sledgehammer to crack a nut' strategy that is counter-productive to individuals, to businesses and to the public purse.

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