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# Heads in the Sand: the Absence of Employers in New Developments in UK Active Labour Market Policy

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## Abstract

Recent welfare reforms in the United Kingdom have redrawn the parameters of active labour market policy in a way that brings the employers' role to the fore. Universal Credit—the new benefit for working age social security recipients—is both an in- and out-of-work benefit. Significantly, and without international precedent, this brings workers on a low income within the scope of the Department for Work and Pensions' conditionality regime (in-work financial support was formerly provided through tax credits, without behavioural conditions). While conditions are applied to claimants, employer responses to this new policy terrain will be central to their outcomes as a new tripartite relationship between claimant, employer and the state emerges. However, employers and their views on these new expectations have been notably absent from both research and policy debates. This article reflects on why this is the case and why this is a problem for the development of effective in-work support.

**Keywords:** Universal Credit, active labour market policy, employers, welfare reform

## Introduction

RECENT WELFARE reforms in the United Kingdom have redrawn the parameters of active labour market policy (ALMP) in a way that brings the employers' role to the fore. Universal Credit (UC)—the new benefit for working age social security recipients—is both an in- and out-of-work benefit. Significantly, and without international precedent, this brings workers on a low income within the scope of the Department for Work and Pensions' (DWP) conditionality regime (in-work financial support was formerly provided through tax credits, without behavioural conditions).<sup>1</sup> As part of this, the receipt of in-work benefits may now be conditional on working social security claimants demonstrating their efforts to increase their hours, look for ways to progress in their current workplace, search for additional work with a different employer, or take up alternative work elsewhere.<sup>2</sup> Once

fully implemented, it is estimated that 1 million working people will fall within scope of the new 'in-work conditionality' (IWC) policy.

Extending ALMPs to those in work clearly has implications for employers, as the state takes a more interventionist role in shaping the behaviour and power of workers. Although conditions are applied to claimants, employer responses to this new policy terrain will be central to their outcomes as a new tripartite relationship between claimant, employer and the state emerges. However, employers and their views on these new expectations have been notably absent from both research and policy debates. This article reflects on why this is the case, and demonstrates why this is a problem for the development of an effective in-work support policy.

The first part of this article explores recent ALMP developments in more detail, reflecting on the absence of employer responses and possible reasons for this. The second presents

<sup>1</sup>D. Clegg, 'The demise of tax credits', *The Political Quarterly*, vol. 86, no. 4, 2015, pp. 493–499.

<sup>2</sup>Department for Work and Pensions, *Employer Guide to Universal Credit*, 2018; <https://www.understandinguniversalcredit.gov.uk/wp-content/uploads/2018/12/Employer-Guide-to-UC.pdf> (accessed 7 April 2022).

findings from a study which asked employers explicitly for their views on these new parameters of UK ALMP. The third discusses the implications of both and concurs with wider arguments that more employer engagement is needed in ALMP design and delivery, albeit not uncritically.<sup>3</sup>

## In-work conditionality and the missing employer voice

Like the working age social security benefits that preceded it (for example, the Jobseekers Allowance) Universal Credit is underpinned by a ‘work first’ approach to ALMP. For unemployed jobseekers, the emphasis is on social security claimants making high volumes of applications and moving quickly into any job. This is reinforced by a strict, sanctions-based system. Strict conditionality under UC continues a long history of ALM policy making driven by ideological and paternalistic beliefs that the ‘idleness’ of unemployed people who lack the ‘work habit’ must be corrected.<sup>4</sup> Here, unemployment is framed as a supply-side behavioural problem and little consideration is given to the demand-side, that is, the volume and quality of jobs available to jobseekers. As Frøyland and colleagues note, ‘the demands of the employers and the labour market are taken as given premises’.<sup>5</sup>

Under the UK’s legacy system, ‘work first’ conditionality was somewhat balanced with policies to ‘make work pay’ including in-work benefits (Working Tax Credits)—which topped up the incomes of low-paid workers (the carrot to the stick of conditionality). However, as tax credits are subsumed into Universal Credit, in-work benefits may—for the first time—also be brought under a conditionality

regime. Development of the DWP’s in-work policy is still in a ‘test and learn’ phase—and is positively framed as its ‘in-work progression’ policy. However, early trialling and employer guidance is suggestive of a ‘work first, then work more’ approach, as new requirements are placed on workers to progress to a point at which they are no longer ‘dependent’ on in-work financial support.<sup>6</sup> According to the Universal Credit 2010 White Paper, conditionality for working claimants will ‘encourage people to increase their earnings and hours in a way that we have never been able to do before, helping people along a journey toward financial independence from the state’.<sup>7</sup>

In some respects, the exclusion of employers from these new developments in ALM policy making is hardly surprising. Arguably, this is the logical extension of the ‘supply-side fundamentalism’ which has dogged UK policy making in this and related fields (such as skills policy) for decades.<sup>8</sup> Here, poor quality work—not just unemployment—is positioned as a behavioural problem for individuals (rather than employers) to address. Thus, supply-side fundamentalism prevails, despite government taking a more explicit interventionist role in the paid labour market. Despite the ‘incompatibilities of rigid conditionality requirements and flexible employment’, employer practices remain unchecked.<sup>9</sup>

This supply-side fundamentalism coincides with an institutional legacy in which the input and wider involvement of employers and other social partners has not been a prominent

<sup>3</sup>D. McCollum, ‘The sustainable employment policy agenda: what role for employers?’, *Local Economy*, vol. 27, nos. 5–6, 2012, pp. 529–540; <https://doi.org/10.1177/0269094212444571> (accessed 10 April 2022).

<sup>4</sup>A. Whitworth, ‘Neoliberal paternalism and paradoxical subjects: confusion and contradiction in UK activation policy’, *Critical Social Policy*, vol. 36, no. 3, 2016, pp. 412–431.

<sup>5</sup>K. Frøyland, T. Andreassen and S. Innvaer, ‘Contrasting supply-side, demand-side and combined approaches to labour market integration’, *Journal of Social Policy*, vol. 48, no. 2, 2019, pp. 311–328.

<sup>6</sup>Department for Work and Pensions, *Universal Credit: In-Work Progression Randomised Controlled Trial*, 2018; <https://bit.ly/2oNLI0G> (accessed 7 April 2022); DWP, *Employer Guide to Universal Credit*.

<sup>7</sup>Department for Work and Pensions, *Universal Credit: Welfare that Works*, Cm 7957, 11 November 2010; <https://www.gov.uk/government/publications/universal-credit-welfare-that-works> (accessed 10 April 2022).

<sup>8</sup>J. Peck and N. Theodore ‘“Work first”: workfare and the regulation of contingent labour markets’, *Cambridge Journal of Economics*, vol. 24, no. 1, 2000, pp. 119–38.

<sup>9</sup>S. Wright and P. Dwyer, ‘In-work Universal Credit: claimant experiences of conditionality mismatches and counterproductive benefit sanctions’, *Journal of Social Policy*, vol. 51, no. 1, 2022, pp. 20–38.

feature of policy development. UK employers are 'not formally involved in the development of ALMPs at any level'.<sup>10</sup> Whereas others have rightly critiqued a lack of 'user involvement' (that is, those claiming UC) in the development of social security systems, analysis presented in this paper shows that the limited involvement of employers is also problematic.

Nevertheless, while the above might explain limited engagement with employers on the part of policy makers, it is puzzling that employers have not themselves been more vocal in this field, given that IWC would likely have significant workforce implications. It is notable, for example, that not a single employers' association contributed to a recent parliamentary inquiry into the economics of UC.<sup>11</sup> This may simply reflect pragmatism as is often exhibited by UK employers. In 2015, an article in the *Financial Times*, for example, reported that 'the employers' lobby group, the CBI, said it would not survey its members on Universal Credit until the reform was fully introduced'.<sup>12</sup> Within the context of other pressing policy concerns facing UK businesses (for example, Brexit and now the Covid-19 pandemic and cost of living crisis) combined with the protracted period of UC roll-out (the original completion was scheduled for 2017; it is now 2024), it is perhaps unsurprising that employers have not been more engaged.

However, limited employer engagement may also stem from the ambiguous nature of the policy area and an apparent reluctance on the part of policy makers to ask explicit questions about it.<sup>13</sup> Research and consultations conducted or commissioned by the DWP have tended to skirt around the issue, not asking employers directly about their views on the potential extension of behavioural

conditionality to their staff, how they might respond to this new dynamic and whether or not they think it's a good idea. For example, in a recent report from the In-Work Progression Commission, led by Baroness Ruby McGregor-Smith and commissioned by the DWP, conditionality and sanctions are mentioned only once: 'The Commission understands the sensitivities around sanctions and would like, instead, to propose a system of incentives'.<sup>14</sup> Instead, there has been a tendency to ask more general questions about barriers to 'progression' and the role Jobcentres might play in this. While this may signal a welcome shift in policy thinking (as do more recent in-work progression pilots which appear to be operating on a voluntary basis), introducing IWC is still possible in law and so remains on the table as a possible policy direction.

Muted employer responses may also reflect ambiguity in terms of their likely views and responses to this policy change. As a heterogeneous group, it is hard to say whether or not they would welcome it. Various factors, such as size, sector and management approach may influence how such a policy would play out in reality, and whether or not it is received positively. Whereas some employers may welcome a 'work first' approach to ALMP, as a vehicle for generating a steady and disciplined labour supply for the UK's flexible labour market, such positivity may not extend to a 'work first, then work more' approach if it means a flexible workforce is less available. If this is the case though, it may prove politically difficult to resist changes to the status quo where businesses are criticised for paying poverty wages subsidised by taxpayer funded in-work benefits. (Arguably it is employers who are 'dependent' on in-work support rather than its direct recipients.)<sup>15</sup>

But, is the lack of employer involvement in policy development here a problem? The

<sup>10</sup>J. Ingold, 'Employers' perspectives on benefit conditionality in the UK and Denmark', *Social Policy & Administration*, vol. 54, no. 2, 2020, pp. 236–249.

<sup>11</sup>Economic Affairs Committee, *Universal Credit isn't Working: Proposals for Reform*, HL Paper 105, 2020.

<sup>12</sup>J. McDermott and S. Gordon, 'Universal Credit will benefit UK companies, Duncan Smith says', *Financial Times*, 8 December 2015; <https://www.ft.com/content/ca0eedd6-9d97-11e5-8ce1-f6219b685d74> (accessed 7 April 2022).

<sup>13</sup>J. Abbas and J. Chrisp, 'Working hard or hardly working? Examining the politics of in-work conditionality in the UK', *Social Policy and Society*, October 2021, pp. 1–22.

<sup>14</sup>R. McGregor-Smith, *Supporting Progression out of Low Pay: a Call to Action*, London, Department for Work and Pensions, 2021.

<sup>15</sup>J. Meadway, 'Taxpayers spend £11bn to top up low wages paid by UK companies', *The Guardian*, 20 April 2015; <https://www.theguardian.com/sustainable-business/2015/apr/20/taxpayers-spend-11bn-to-top-up-low-wages-paid-by-uk-companies> (accessed 7 April 2022).

remainder of this article presents findings from a small-scale pilot study which starts to address the absence of employer perspectives by asking them directly about their views of IWC and how they might respond to it.

## Study overview

This article draws on findings from semi-structured interviews conducted with twelve employers, which explored their perspectives of in-work-conditionality under UC. As an ambiguous policy still in development, employers were asked to reflect on the parameters laid out in official employer guidance and topic guides were constructed in consultation with the DWP via the project's expert advisory group to ensure questions reflected a realistic picture of policy development (the topic guide is available on request).<sup>16</sup> Employers were asked about how they thought they would respond if staff were expected to increase their hours or pay within the context of their organisation, or take on additional or alternative work for other employers.

All interviewees were HR managers or owner/managers, and represented employers operating in the Greater Manchester area. The sample represents a mix of large and small businesses, operating in the public and private sectors—including a care provider, a local council, housing providers, hotels and restaurants, a landscaping business and a soft play centre (see Table 1 for an overview). The contractual status of staff differed across and within firms. A landscaping business was currently only employing workers on a full-time basis (although had taken on part-time staff in the past and would consider doing so again). All others offered a range of contracts. In the hotels, staff tended to be employed on a part-time basis (around sixteen to twenty hours) but staff typically took on more hours in response to fluctuations in business need. The majority of staff employed by the care provider and the soft play centre were on zero hours contracts.

Interviews took place in August/September 2019. All except one was conducted face-to-face, either at the respondents' place of work, the research team's university, or in a public setting. One interview was conducted over the phone. Prior to the commencement of

fieldwork, ethical approval was obtained from Manchester Metropolitan University's ethics committee. Recruitment efforts were wide-ranging, including promotion through social media and newsletters of local employer representative organisations, university business engagement networks and other introductions facilitated by the project's expert advisory group.

A purposive, but broad approach to sampling was adopted, inviting employers operating across Greater Manchester to take part, but in discussion with stakeholders attempting to target recruitment efforts towards employers operating in traditionally low-paid sectors. As UC is a household benefit, a range of factors (such as demographics, relationship status and caring responsibilities) are likely to influence whether or not claimants are subject to IWC. In theory, it could impact on workers in relatively high wage sectors, depending on these factors alongside contractual ones. While it is not clear which sectors/industries would be impacted by a policy of IWC, it is arguably most likely to impact on those offering low-wage, entry level work, as ALMP participants tend to move into jobs in low paying sectors.

## Findings

This section presents thematic analysis relating to two key questions: first, how might employers respond to this new policy context, and second, will they welcome it? The extent to which employers felt they should be involved in the development of new policy in this area is then briefly considered.

### *How might employers respond?*

Employers were asked how they might respond to requests from working UC claimants to increase their pay or hours, or to take on additional jobs in order to meet the expectations of their UC claim. Overall, interviewees reflected that although they would consider requests for more hours or more pay, the policy would have a limited impact on their way of working and staffing policy. The extent to which employers felt they were able to offer more hours or pay varied. Several reported that they would be able to offer more hours, but not necessarily on a consistent basis. Others reflected that some jobs would only ever be

<sup>16</sup>DWP, *Employer Guide to Universal Credit*.

**Table 1: Sample details**

	Employer type/sector	Job role	Size
Employer 1	Manufacturing company	Owner-Manager	SME
Employer 2	Local authority	HR Manager	Large
Employer 3	Landscaping company	Owner-Manager	SME
Employer 4	Hotel	HR Manager	Large
Employer 5	Hotel	HR Manager	Large
Employer 6	Social care provider	Owner-Manager	SME
Employer 7	Housing Association	HR Manager	Large
Employer 8	Restaurant	HR Manager	Large
Employer 9	School catering service (council services)	HR Manager	Large
Employer 10	Soft play centre	Owner-Manager	SME
Employer 11	Hotel	HR Manager	Large
Employer 12	Housing Association	HR Manager	Large

offered on a small hours basis: ‘We need people to do jobs that are at the bottom of our pay scale and are only a few hours a week’ (Employer 2).

In terms of pay progression, while in theory there were opportunities to progress to better paid positions in most businesses, in reality these were limited in those with a high proportion of low skilled/low wage roles: ‘We love it when people want to progress in the business, but there aren’t so many managerial positions that we have within here, so it’s difficult to really progress that far because, like I say, unless we give somebody extra responsibilities, they’re all on a very similar wage’ (Employer 10).

Ultimately, whether or not they would offer more hours or pay would depend on whether there was a clear business case to do so. Their ‘bottom line’ would continue to have more sway than new expectations placed on staff, and there was widespread reluctance to increase wages owing to their belief that this would impact negatively on the profits of the business: ‘We try our best, but of course, we don’t want to go out of our way, we’ve got a business to look after. We need to be making a profit at the end of the day, so we’re not going to do anything that will be damaging to our bottom line’ (Employer 5).

Overall it was clear from employer responses that the policy would impact mostly on individual workers rather than employers and their business practices: ‘If we don’t need our hours being increased for that particular service area ... We’re not going to do it ... no matter how much pressure DWP are putting on that person, they’re just putting the pressure on that person’ (Employer 7).

Responses from interviewees also hint at some potential sectoral differences in how the policy might play out. Particularly in the hospitality businesses sampled, employing staff on a flexible, part-time basis, where they regularly took on more hours as required by business need, was considered important to the effective operation of their firm: ‘We wouldn’t want to have every single person on a full-time contract. We’d still need some flexibility to fluctuate with the demands of business levels’ (Employer 11).

Furthermore, several employers in the hospitality industry also believed that restrictive covenants in the contracts of their staff gave them power to prevent them from taking on additional jobs in similar competitor organisations (as this would be a ‘conflict of interest’): ‘If someone who works in reservations upstairs or sales upstairs comes to me with this proposition of going to the next-door hotel, then unfortunately, there is a contractual clause that will bar them from doing such a thing’ (Employer 5).

Thus, the limits of a supply-side approach to developing in-work support policy are starkly exposed: requirements for individuals to take on more work clash with business practices which in some cases will explicitly prevent them from doing so.

### *A welcome policy shift?*

Whether or not employers would welcome IWC is not straightforward. Interviewees had varied views, which were contingent on the approach adopted once the policy is fully implemented (that is, the extent to which is its

support- or sanctions-based). Some welcomed the policy if it encouraged people to try and take on more work: 'I think it will open up more opportunities for the carers to actually actively ask us for more work' (Employer 6).

One employer reflected that the policy might positively impact their business, provided that staff increasing hours were effectively deployed across the business: 'I think it would be positive providing they were able to fill the gaps in the departments where the gaps were so that they had the knowledge and the skills to go and work in another department to fill a gap' (Employer 11).

However, others were against the extension of conditionality to those in work. In the case of a housing association, this view was informed by their wider understanding of welfare reform, including the often negative impact it had on their tenants:

It's just pressure, there's more and more pressure being applied on to that person ... they're being so short-sighted and pushing and pushing to get people off the benefits system, that actually at some point, they're going to magnify the benefits system, because they're going to push people to the end of their tether and people will go off sick, and will need to be picked up by UC' (Employer 7).

Several employers emphasised a need for support rather than punitive measures, overall favouring a voluntary approach rather than a mandatory one, and stressing the need for caution and even-handedness: 'I think it would be important how it was positioned and promoted as a supportive mechanism, not a punitive thing' (Employer 2).

In addition, employers stressed the importance of a tailored approach—simply requiring people to take on any additional work, with little consideration of the types of work individuals were engaging in, was considered inappropriate. This was felt to be important, not only in terms of appropriate advice and support tailored to individual careers, but also in terms of ensuring that a person's individual circumstances and needs were taken into account: 'It depends on the individual's circumstances, doesn't it? ... people's circumstances are varied, aren't they, as why they might not be able to work more than 16 hours or 20 hours. It's very much dependent. The

higher increase of carers, all those types of influences, need to be taken into account' (Employer 8).

Several employers were concerned that the policy would result in increased staff turnover, resulting in reductions in returns from investment in training and the costs associated with recruitment and training new staff. There was also concern that new expectations introduced as part of the policy may be a hindrance to workforce flexibility. It was widely felt that if staff were to increase their hours in their organisation as a result of the policy, rather than business need, this would not necessarily be a productive development: 'If we're ... having to give people extra hours in order to be able to keep them, it's then what do they do in that time. We have to keep our productivity very tight here' (Employer 4). Employers also voiced concerns about the potential for the policy to impact their staff adversely, and their business as a result. They were concerned that it could have a negative impact on staff motivation, and that absenteeism and presenteeism may result: 'The formula is simple, happy team, happy guests. Simple as that. If we have a team who's burdened with all these headaches, then of course that's going to impact on our quality, productivity, potentially as well. It could even lead to presenteeism ... It could even lead to absenteeism' (Employer 5).

It was felt that IWC would result in increased stress and reductions in staff wellbeing. One employer felt that the policy could create a dual challenge of poor employee wellbeing and performance management:

If you've got someone who is in a lower graded role and doesn't want to take on more work because they've got caring responsibilities or something like that, but then has to because of the requirements of Universal Credit, and then is struggling. As a manager you have the dual challenge of their wellbeing and also their performance (Employer 2).

Employers felt the wellbeing risks were bigger for staff who were combining work with caring responsibilities, with one citing concerns about the potential for employee 'burnout'. Alongside their concerns about how the policy might impact their employees' work-life balance, this was felt to potentially have knock-on consequences in terms of the reliability of

staff and their relationship with other staff members:

If we're thinking about our mums, and particularly single mums that are working here, I think they already have a job and so this is kind of their secondary job, and if they had to spend too much time on this, they're probably going to end up being unreliable and then that's going to damage our relationship with that member of staff and their relationship with the other staff (Employer 10).

Interviewee reflections also point to the potential of IWC to transform the way in which employers interact with ALMP, significantly altering the dynamic between individuals, employers and Jobcentres. There was a concern that 'The Jobcentre's requirement might be completely different from what the requirement for the business is' (Employer 12), which might result in conflict:

I'd be a bit nervous around tensions of a Jobcentre making recommendations or suggestions to an individual and an organisation or a manager having a conversation with an individual about how those might conflict with each other ... If they're saying to our staff to do something and we're saying the opposite, how is that going to work? (Employer 2).

Several employers also raised concerns about the policy's impact in terms of fairness and equity. For them, it was important not to treat staff differently because they were in receipt of in-work benefits. Furthermore, it was felt that any perception of differential treatment could cause frictions within their teams:

It could cause a bit of friction, in terms of if we have to consistently give certain members of staff extra hours because of the fact that they've got Universal Credit and we don't want them to be out of pocket, but there's other members of staff who aren't and who also want extra hours, it's a bit of a moral decision that that manager has got to make really, because you want to keep everyone happy (Employer 4).

### *Involving employers in policy development*

Whether or not they would welcome the policy change, interviewees felt that more should

be done to consult with employers about it, to better understand the potential impact of IWC on their businesses, and to develop in-work support in an appropriate manner: 'What worries me is the impact that it will have on businesses which haven't really been thought about, potentially ... I think there's a huge amount of pressure put on employers, which doesn't necessarily get considered when they're launching new things, new initiatives' (Employer 8).

Reflecting the new tripartite relationship introduced by this policy shift, several employers felt strongly that in-work support should be developed through collaboration and partnership between all stakeholders involved (including employers): 'You've got the government, the employer, and the employee and those each has got to see the benefits of how that relationship fits together' (Employer 3).

Relatedly, and again reflecting the obvious limits of supply-side only approaches, some considered an emphasis on IWC to be misplaced. Instead, employers felt that the government should be doing more to support employers to run better businesses and be better managers. This approach, it was felt, would be more likely to have a positive impact on both individual progression opportunities and the productivity of businesses: 'It would be probably more beneficial for the government to help employers become better employers, and to make the workplace a more positive environment than it is to push employees to get more jobs' (Employer 10).

## **Discussion and concluding thoughts**

The findings presented above represent a first attempt to explore employer perspectives on new developments in UK ALMP which bring workers on a low income within the scope of behavioural conditionality. While a small sample, interviewees who took part in this study represent workplaces employing significant numbers of staff who will likely be affected by this policy change. It is clear from the above that the policy will play out differently in different workplace contexts. Business heterogeneity—in terms of factors including size, sector and



approaches to management—means that the impact of this policy is difficult to predict.

Despite a more explicit entry into the world of work, supply-side fundamentalism clearly prevails in UK ALM policy making. Resultantly, it appears that a lack of in-work progression—as well as unemployment—is now conceptualised by policy makers as a behavioural problem. However, it is clear from the above that ‘work first, then work more’ approaches to in-work ALMP fail to consider (or actively ignore) the realities of work at the low-paid, more precarious end of the labour market. Flexible business models adopted by many UK businesses in sectors like hospitality, combined with the use of restrictive covenants (that is, non-compete clauses) in some workplaces, are at odds with rigid requirements for working UC claimants to increase their hours worked.

It is critical that policy makers pay much more attention to employers’ perspectives and practices as in-work policies are developed. Extending ALMP to working social security claimants is an unprecedented policy change and should not be undertaken without robust analysis and extensive consultation with all those likely to be impacted and implicated by it. Calls for more ‘user involvement’ in the development of policies and systems for working claimants should, therefore, also include employers alongside other actors such as unions who are best positioned to inform policy makers in Whitehall about the realities of work in the UK’s low pay labour market. This is vital for developing realistic and effective in-work policies which provide the support workers need to progress, and would also help to expose where behaviour change on the part of employers—rather than the unemployed and low paid—is required. At a time when businesses face multiple pressing challenges owing to factors including Brexit and the ongoing impact of the Covid-19 pandemic, policy makers would also be advised to tread carefully when introducing new policies which are likely to impact them.

Although IWC has important implications for employers, several factors may inhibit the development of a clear ‘employer voice’ on this issue. These include pragmatism, the ambiguous and protracted approach to policy development and the political sensitivities of arguing for a status quo which has been seen to subsidise low waged employment. Whereas some employers may welcome the introduction of in-work ALMP, for example if it helps to fill gaps in the workforce or provides encouragement for staff to progress and develop, the findings presented above reveal major concerns from employers about the policy’s potential impact on firm performance, employer-employee relationships and staff wellbeing. While ‘work first’ active labour market policy has become an enduring part of the UK policy-making framework, ‘work first, work more’ may therefore be a step too far.

Grievance from the business community may increase if IWC is deployed, particularly if it does result in the negative business impacts predicted by the employers in this study. Perhaps this explains the lack of direct consultation with employers highlighted above: is it a case of ‘don’t ask the questions you won’t like the answers to’? Either way, without giving due consideration to how employers might respond, the application of in-work conditionality to working Universal Credit claimants necessarily involves reckless experimentation with the lives of low-income workers who are often already in a vulnerable position. As long as both policy makers and employers keep their heads in the sand, individuals will be left to deal with the fallout.

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*Katy Jones* is a Research Fellow in the Decent Work and Productivity Research Centre at Manchester Metropolitan University.