



## In this issue

- 3 Fit for work? Securing the health of the working-age population
- 5 Work, health and well-being research
- 7 Preventing and managing stress at work – practice around Europe
- 9 Jobcentre Plus and ethnic minority customers
- 10 Publications
- 12 IES Viewpoint: Policy learning and the role of research

The *Employment Studies* newsletter reports on IES research on labour market and employment policy and practice in the UK and abroad. It is aimed at those interested in research to inform the development and implementation of public policy. Two other publications, *Research Digest* and *HR Insight*, provide briefings on IES employer-related work.

## Understanding the changes in higher education student finance for full-time undergraduates

Emma Pollard, IES Senior Research Fellow

**This is a turbulent time for higher education. The financing of the sector and the support available for students are set to change dramatically, and the impact on both demand and supply is likely to be far-reaching. As we await the government's White Paper on the future of universities, planned for early this year, it is worth setting out what we know from our portfolio of research about the workings of the current system (at least for full-time English-domiciled students) and of the new plans that are emerging.**

### Where we are now?

The current student finance system for full-time higher education students in England came into operation in 2006 (with the Higher Education Act 2004). This was introduced by the Labour administration in an attempt to increase the resources available to higher education; and to shift more of the costs of higher education onto the individuals who would benefit from this experience (based on the principle of equity) but at the same time ensure that those who have the talent to benefit from higher education are given the opportunity to do so, regardless of their background (based on principles of social inclusion, widening participation and fair access).<sup>1</sup> This move followed on from the introduction of up-front tuition fees in 1998, which, for the first time, required full-time undergraduate students to contribute towards some of the costs of their tuition. The current system involves three key aspects:

- a variable charge for **tuition fees** that can be no higher than £3,290 per year<sup>2</sup> (and represents a subsidised charge), which is paid to universities. In addition to fee income, the government distributes funds to universities and higher education colleges through the Higher Education

Funding Council for England (HEFCE) in the form of grants to support teaching, research and innovation. Institutions are free to use this to meet their own priorities.

- a **loan system** that ensures no student has to pay their tuition fees up front and provides students with some money to support their living costs whilst studying. There are essentially two loans, a loan for fees, which is paid directly to the university or college, and a maintenance loan usually paid directly to the student in three instalments a year. Together these loans have to be re-paid after graduating when earning above £15,000 a year (gross). The loan amount does accrue interest but this is charged at a lower than commercial rate (effectively subsidised by government), and after 25 years any outstanding amount is written off.
- a system of **grants and bursaries** to support the living costs of those from less privileged backgrounds and to encourage individuals from under-represented groups to participate in higher education (by going some way towards removing the

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financial barrier). These are the means-tested non-repayable Maintenance Grants or Special Support Grants (up to a maximum of £2,906), and non-repayable university or college bursaries (of at least £329).

### How well does this system work?

IES's research with students and with staff in higher education institutions finds broad support for the current system. In general, people have positive attitudes to higher education. It is seen as investment in career and earnings potential, and many young people (from all backgrounds) and working adults aspire to go to university. The numbers applying to and attending higher education are increasing year-on-year,<sup>3</sup> and the recession is increasing demand for higher education places – to the extent that demand far outstrips supply and more and more students are unplaced.

We find that students appear to be largely resigned to paying tuition fees, at least at current levels, and are not deterred by the personal financial costs of higher education. Our research finds that applicants, higher education students, parents and school and college staff prefer loans for fees (with their delayed repayment conditions) to upfront payment, and so are relatively amenable to the idea of financing tuition through debt. Student Loans for fees therefore appear to be well understood and an established part of the higher education landscape, and awareness and take-up of Student Loans is high. Student Loans are recognised as a competitive method of borrowing relative to alternative commercial sources, and so the message about the affordability of Student Loan repayments does appear to have been received.

In addition, although less well understood and generally underestimated, many students receive some form of financial support from the government, and the grant money appears to be going to those most in need. Those most likely to receive a grant or bursary were from lower socio-economic backgrounds and lone parents. However, very few students know about bursaries and scholarships, even after they have been in HE for several months, and the bursary packages offered by universities tend to be quite complex.

At the same time, universities and colleges appreciate the additional funds they have received through the increased fees charged to students, particularly the newer teaching-led institutions. The additional fee income

has enabled institutions to become financially stable, continue with their existing plans and achieve better opportunities for financing; meet rising staff costs and reward teaching; support, refocus and extend existing widening participation and outreach activity; and arguably place greater focus on the student experience. They report that the new student support arrangements introduced in 2006 have settled and bedded down over time, and the additional income has been absorbed into institutional budgets (with a need for a small increase in administrative and welfare support) helping them to continue with largely existing plans and activities.

### What is proposed?

So why the need for change? The government is concerned that the UK is still slipping behind its global competitors even with the rapid expansion of higher education, and the financial sustainability of the sector is under threat. The sector is still substantially subsidised by the government (and so ultimately the tax payer) largely through the annual block teaching grant given to universities, and the heavily subsidised loans to students; investment in HE needs to rise but the government feels this cannot and should not come from the public purse.

To this end, the then Labour government commissioned an independent review of HE funding and student finance. The Browne Report<sup>4</sup> was published in October last year (under the new government), and set out recommendations for fees policy and financial support for full and part-time students. In light of these findings and recommendations, the new government is developing its policies for HE.<sup>5</sup> These are likely come into effect in 2012/13 and the government believes it will reduce public spending on HE in keeping with its commitment to reduce the fiscal deficit, whilst maintaining the quality in UK HE, improving the financial stability of the sector, and opening up choice and diversity for students. The plans can be assessed using the same three key aspects: fees and public funding, loans and grants:

- The plans maintain the principle of no student having to pay **tuition fees** upfront. However, the government now refers to fees as a graduate contribution, and has raised the maximum fee level from £3,290 to either £6,000 a year (the basic threshold) or £9,000 a year (the absolute limit for exceptional circumstances). Institutions can decide how much they wish to charge and whether to charge different levels for different courses. At the

same time, the government plans to cut the undergraduate teaching grant by 80 per cent, and remove it entirely for arts, humanities and social sciences subjects.

- The plans also maintain the principle that fees are paid for by a **Student Loan** that is repayable after graduation when earning, but have raised the repayment threshold, so that graduates begin to start repaying the loan only when their gross income reaches £21,000. They also promise to up-rate this figure yearly in line with earnings. Student loans for living costs will continue, and the amounts available to borrow will increase. However, the government plans to extend the payment period for Student Loans (for fees and/or maintenance), so that outstanding debts are written off after 30 years, and also introduce a real and progressive rate of interest on the loan repayments. There are also suggestions that early repayment of loans will carry some form of penalty charge to ensure that those on high incomes cannot unfairly buy themselves out of the system, and avoid paying interest on their loans.
- Support for students from under-represented groups and less privileged backgrounds will continue with the Maintenance **Grants** and with a new National Scholarship Programme. Maintenance Grants will increase to £3,250 but the upper eligibility threshold will fall. Details of the National Scholarship Programme have yet to emerge but there are suggestions that this could include paying eligible students' fees for their final year of study (and institutions funding a first free year); or a free foundation year or professional scholarship to attract and enable students to study courses leading to professional careers that can offer the greatest lifetime benefits to students.

### What are the potential impacts?

Our research with higher education students, potential students, graduates and HE staff indicates several challenges for the new system that is proposed:

- Costs of HE do not deter applicants but headline levels of debt rather than day-to-day costs have the potential to worry applicants, so will mistaken perceptions about the affordability of HE put potential students off, particularly those from backgrounds already under-represented in HE?

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# Fit for work? Securing the health of the working-age population

Ben Baumberg, Centre for Analysis of Social Exclusion (CASE), LSE

IES's policy conference, held in November 2010, brought together experts, stakeholders and interested parties to debate issues relating to the health of our working population. Delegates heard contributions from UK experts, including Dame Carol Black, and speakers who set the UK experience in an international context.

## Why fitness for work?

Starting from a marginal position in the early 2000s, the health and work agenda has become a central feature of political debate within all of the major political parties. Much of this is driven by the economic cost of ill-health, made up of both the £15-20bn estimated cost of sickness absence and the further cost of disability and incapacity benefits. On a human level, we know that 'work is good for you' – but this cannot be just any work, as the evidence suggests poor-quality, low-paid insecure work is as harmful to health as unemployment.

The UK is in a strong position. Compared with other countries, we have a good health and safety record, sickness rates have been improving, and UK workers say that work has less impact on their health than in other countries. Nevertheless, the UK lags behind a number of European countries (see Figure 1 below). But the world of work is changing. While rates of temporary work have been constant, we can expect work intensification; new technologies will provide flexibility while limiting discretion over how to perform our work and blurring boundaries between work and life; and we will see a rising proportion of people with health problems in employment, simply due to population ageing.

Fitness for work is therefore a major policy concern, and is only likely to become more so in the future. We now know a lot about 'what works', particularly for people with musculoskeletal problems. IES' review for NICE has shown the importance of early intervention by a multidisciplinary team, using caseworkers who are focused on the return-to-work process. We know that working with employers is crucial – particularly SMEs, who are hard to engage. Similarly, GPs have a pivotal role, and the IES evaluation of the new Fit Note will tell us how far we are succeeding in changing GPs' relationship with the workplace. Yet there is still a lot to learn, and the conference offered an opportunity for us to take stock of existing research, and to focus on what we need to learn.

## Where we are now, and where we're going

It was fitting that Dame Carol Black opened the conference – not just in her role as National Director for Health and Work at the DWP, but because it was the Black Review that catalysed the health and work agenda in 2008. Many factors were identified in the initial review as standing in the way of a healthier working-age population, some of which were cultural (eg, misconceptions about health and

work; managerial attitudes), but others that were systemic. The review therefore called for a pathway of care to prevent worklessness, based around early referral to a Fit for Work Service. Many steps have since been made in that direction, including the new Fit Note, the Fit for Work Service pilots, the national standards for OH services, and the challenge fund for SMEs.

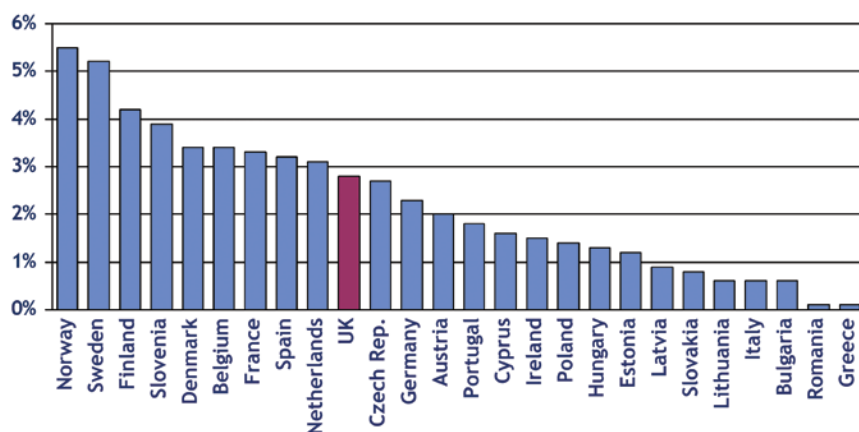
Having identified what needs to be done, the challenge now is to make sure that progress is measured and maintained, and that hearts and minds are changed. Carol Black flagged the 'health at work' strand of the Public Health Responsibility deal (which brings government, businesses and NGOs together), which is perhaps the first time that a Secretary of State for Health has put work and health as a central pillar in public health policy. This will hopefully be similarly prominent in the upcoming Public Health White Paper. She also described her active involvement in a number of other agendas, including welfare reform, the follow-up to the Macleod review on workplace engagement, and other cross-government collaborations.

However, there are a number of obstacles to be overcome, such as finding funding for the continuation of the Fit for Work Service after April 2011, the need for changed thinking within the occupational health profession, engaging SMEs, and strengthening the evidence on mental health – and not least the rise of obesity, leading to an increasing burden of chronic health conditions in older workers.

## Work as a cause of health inequalities

Alongside the Black Review, the other major policy review in recent times is the Marmot Review of Health Inequalities. This review's discussion of work and health inequalities was presented by its Senior Research Fellow, **Professor Peter Goldblatt**, who focused on the need to 'create fair employment and good work for all' (one of six main policy objectives of the Review). He argued that good

Figure 1: Sickness absence rates in the EU



● Source: EU Labour Force Survey

work is based on four characteristics: having appropriate income in and out of work; participation in the labour market; avoiding adverse physical/chemical hazards; and a positive psychosocial environment.

The balance between work in itself and good work can be seen in Figure 2 right, where the health of the unemployed is worse than that of the employed in every social class – but equally, for both the employed and the unemployed, there is a strong social gradient by class. He particularly focused on the psychosocial environment, which can be harmful in four ways: demands-control imbalance (ie, demanding work with little control); effort-reward imbalance (ie, working hard with little reward); organisational injustice; and precarious employment.

The review has already resulted in partnerships with local authorities and regional bodies to develop health inequality strategies; an official response from Government is expected in the future.

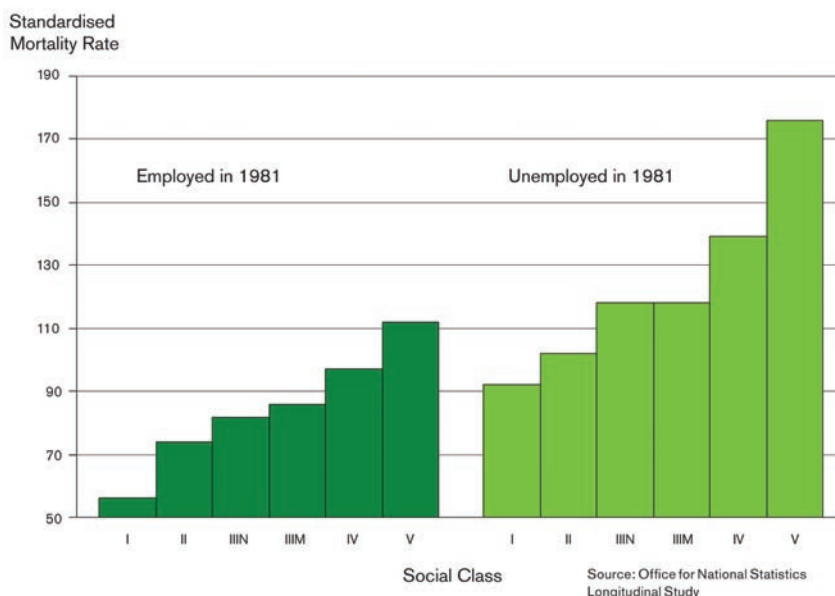
### Lessons from around the world

**Christopher Prinz**, Senior Economist at the OECD, asked what the UK might learn from other high-income countries' experiences. In many ways the UK is similar to the rest of the OECD: the problem is that employment rates among people with chronic health problems is low, and – combined with a trend away from unemployment benefits towards disability benefits – most countries have seen large rises in the receipt of health-related benefits. Where the UK stands out is in disability benefit rates among young people, which are the highest in the OECD (see Figure 3 right).

For all countries, he argued that 'policy is behind the disability problem, and therefore it is to a large extent policy that can solve the problem again'. There are however three particular lessons for the UK from elsewhere. Firstly, the UK needs better incentives for all actors – including employers (as in the Netherlands), claimants (where the UK has improved), and service providers (as in Switzerland). Secondly, better incentives need to be matched by *greater responsibilities* for claimants through activation policies, for employers through occupational health services, and for public authorities to engage earlier. Finally, there is a need for a *better assessment system* where capacity not incapacity is assessed, and all actors are given the support they need.

This is the culmination of several years of OECD learning – but when it comes to

**Figure 2: Mortality of men in England and Wales in 1981-92, by social class and employment status at the 1981 Census**



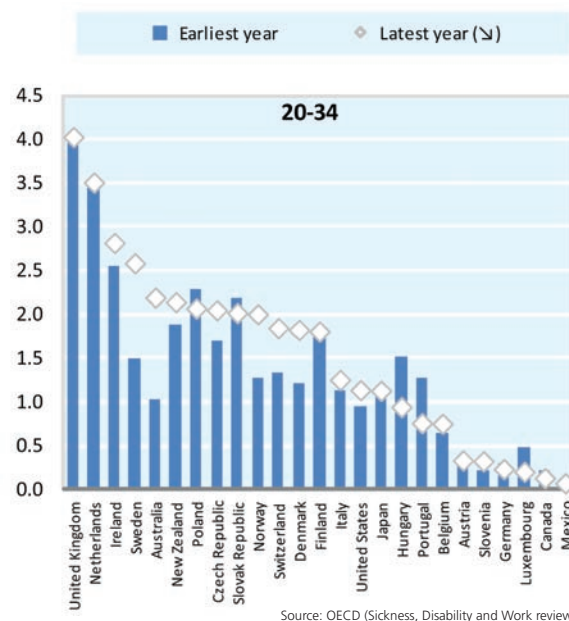
mental health, many questions remain unanswered. Mental ill-health poses special challenges, and accounts for an increasing proportion of disability benefit claims internationally. The OECD has just launched a new project focusing on this, which hopes to tackle this problem through the health system, the transition from school to employment, benefit systems, and the workplace.

### The right way to approach 'active ageing'

Simplistic policies to extend working lives will not work – but coherent active ageing policies can, according to **Alan Walker**, Professor of Social Gerontology and Director of the New Dynamics of Ageing Programme. By the age of 68 – the proposed new State Pension Age in the UK – 75% of workers cannot expect to be disability-free. Moreover, we know that ill-health will be concentrated among manual workers and the least wealthy. Simple policies to extend working lives are simply not realistic for the vast majority of older workers.

Yet there is considerable variation in labour market participation rates among older workers in the EU – and it is clear that this is not due to different levels of disability, but instead reflects wider structural factors. A true 'active ageing' agenda would go far beyond a narrow focus on employment among older workers, instead looking across the lifecourse and using a wide range of

**Figure 3: Disability benefit recipiency in young people is higher in the UK than anywhere else in the OECD**



policy levers. Among a range of specific policy aims, this includes combating age barriers to work, facilitating flexible retirement, and lifelong learning. 'Age management' among employers is crucial here, including job redesign, for which practical tools such as the 'Work Ability Index' can help. Extending working lives is therefore possible, but only within a comprehensive active ageing strategy.

### Welfare reform and fitness for work

The welfare reform White Paper had been released only days before the conference, and its impact on those with mental health



problems was summarised by **Roy Sainsbury**, Professor of Social Policy and Research Director of SPRU at the University of York. Currently there are 2.3m people with mental health conditions claiming out-of-work benefits in the UK. Those on incapacity benefits have already seen substantial changes in the welfare system, with the introduction of Employment and Support Allowance and the phased rollout of Pathways to Work. However, Pathways' initial success was followed by later failure (particularly among private sector providers), and staff were uncertain as to how to help those with mental health problems.

We now have the prospect of a 'new landscape' in welfare to work. Several means-tested benefits are being rolled-up into the 'Universal Credit' that enhances the incentives to work, while the existing support system is being replaced by a network of output-incentivised private providers through the 'Work Programme'. While much detail remains to be fleshed out, it is likely that large numbers of people with mental health problems will be found 'fit for work' and will then claim Job Seeker's Allowance (JSA), or even not claim any benefits at all, while still seeing themselves as having limited fitness for work. Many will also be on the Work Programme, and if providers are not properly incentivised then they might 'park' the hardest-to-help without offering real support. But if we consider the reforms separately from the wider cuts in welfare, people with mental health problems will also have additional opportunities through the simpler benefit system and more transparent incentives to work.

## Final thoughts

The conference concluded with a debate between speakers and attendees, led by **David Brindle**, the Public Services Editor at the Guardian newspaper. Job redesign and better occupational health systems were seen as critically important – but participants were divided as to whether employers would adopt these if suitably encouraged, or whether incentives and/or compulsion were required. Throughout the day, speakers repeatedly came back to the importance of looking at mental health, where our knowledge base is weaker and the policy puzzles more pronounced. Finally, although there were concerns over the impact of the current recession, most of the speakers were optimistic about the future: 'work and health' seems firmly on the policy agenda both in the UK and elsewhere, and we seem to be moving – slowly – in the right direction.

# Work, health and well-being research

Jim Hillage, IES Director of Research

The Institute is evaluating a number of the recent health- and work-related initiatives for the Department of Work and Pensions (DWP), including:

- the evaluation of the pilot of the Occupational Helpline for small employers in areas of England and Wales, and the whole of Scotland, which is being piloted between December 2009 and April 2011
- in conjunction with the University of Liverpool, the Social Policy Research Unit (SPRU) at the University of York, National Institute for Economic and Social Research (NIESR), and GfK NOP, IES is evaluating the Fit for Work Service pilots, which are designed to help employees avoid or return quicker from, long-term sickness absence
- also, the Institute has, in partnership with the University of Liverpool, been commissioned to take part in evaluation of the new Fit Note, which in April 2010 replaced the old medical statement certifying sickness absence. Our element of the overall evaluation will assess whether the new system has an impact on the speed and sustainability of employees' return to work after a period of sickness absence.

On the international front:

- the Institute has recently been appointed to provide evaluation services to the European Agency for Safety and Health at Work's (EU-OSHA). Our first project under the framework involves a mid-term evaluation of the Agency's Strategy 2009-2014 that will focus on its initial outputs and implementation stage.

Current and recent projects for the Health and Safety Executive include:

- exploring the impact of task-focused working arrangements on health and safety and specifically whether the way work is organised (eg on a task and finish, or piecework basis) introduces barriers to good health and safety practice and increases the risks of injury and ill health among workers
- evaluating its training initiatives for employee health and safety representatives. This involves a number of training courses on health and safety for newly-appointed health and safety representatives
- evaluating an initiative to increase worker involvement in health and safety, by means of running targeted courses for health and safety representatives and their managers, with a focus on improving joint working
- evaluating a programme of visits by Health and Safety Awareness Officers to promote better risk awareness and management of risks related to slips and trips within organisations where a slip or trip accident has been reported (slips and trips are a major cause of work-related accidents and injury).

We have also been commissioned by the Health and Safety Executive (HSE) and the Olympic Development Authority (ODA) to:

- conduct a review of the occupational health provision during the construction phase of the London Olympic and Paralympic Games
- map out the various approaches to worker involvement and leadership across the Olympic Park with a view to understanding their impact on health and safety practices and performance.

## A UK-Spanish Comparison of Youth Transitions Into Work

In partnership with the University of Brighton Business School, and IKEI Research and Consultancy, IES is undertaking a project building on earlier work funded by the German Federal Ministry of Training and Occupations (BIBB). The BIBB project collected data in Germany, Finland, Spain and the UK from: national statistics and profiles on training policies; case studies with six employers in each country; and a telephone survey of 100 firms in each country. Drawing on these data this project will compare youth entry into intermediate jobs in Spain and the UK and develop a theoretical framework to understand the factors influencing employer strategies for recruiting and training younger people for intermediate level jobs.

*IES contact: Kari Hadjivassiliou*

## Experiences, Attitudes and Approaches to Collective and Individual Dispute Resolution

IES has been commissioned by Acas to conduct a small-scale qualitative research exercise with public sector employers, based on in-depth qualitative interviews with employee relations / human resources heads across a range of public sector bodies. The purpose of the study is to understand their experiences, attitudes and approaches to collective and individual dispute resolution generally and with Acas collective conciliation as the focal point of the research.

*IES contact: Andrea Broughton*

## Implications of ICT for employment relations

A small-scale IES research project for Acas is looking into the implications of social networking and mobile ICT technologies for employment relations, particularly in the context of developments in virtual working. It will attempt to inform the development of Acas guidance for managers on handling employment relations issues arising from employee use of social networking tools. Most specifically, it will look at the extent of the use of social media in British workplaces, the challenges and opportunities that social media present for management of employment relations, and showcase good practice.

*IES contact: Andrea Broughton*

## London 2012: Approaches to Management of Health and Safety

IES research for the Olympic Delivery Authority is comparing the different approaches to the management of health and safety relating to leadership and worker involvement, on the Olympic Park and Athlete's Village. The focus will be on collaborative approaches to health and safety and the benefits that can result. Relevant practice, barriers to, and enablers of, good practice will be considered.

*IES contact: Dan Lucy*

## School Gates Employment Initiative to Help Tackle UK Child Poverty

The School Gates Employment Initiative is part of the government's efforts to tackle child poverty in the UK, and to support families through the economic downturn, with a particular focus on potential second earners. The initiative runs from October 2009 to March 2011 in 25 areas of the UK. IES has been commissioned by the Department for Education to conduct a study into this initiative. This will involve a literature review, qualitative research in 13 of the 25 areas, and analysis of management information. IES will also be participating in two regional practitioner events as part of the study. The study is due to report around March 2011.

*IES contact: Rachel Marangozov*

## Innovative Models of Effective International Practice in Training Early School Leavers

Foras Áiseanna Saothair (FÁS) has commissioned research from IES to identify and explore innovative models of effective international practice in the training of early school leavers. The study will involve an evidence trawl and literature review to identify models of effective and innovative practice which can inform provision for disaffected young people in Ireland. Reviewing the context in which these models of training have been introduced will be important in order to understand their transferability to the Irish education system.

*IES contact: Becci Newton*

*Continued from p2*

- With increasing personal costs to study through a higher contribution (or fee) will HE continue to be seen as investment?
- Will changes to loan repayment terms damage acceptance of Student Loans as a key method to fund HE study?
- Under the variable fee regime almost all universities charged the maximum rate to protect perceptions of quality, so with a new higher cap will a market for fees develop and how will institutions estimate their market value and place themselves in this new market?
- Financial considerations impact upon decisions about where to study and what to study, so if a market for fees develops will this narrow rather than broaden student choices?
- We are only now just beginning to see the debt of those emerging from universities under the variable fee regime, so what will new levels of graduating debt look like and what influence will they have on graduates' employment and life choices?

When the new system is finalised and introduced, it will be critically important for the changes to HE funding and student finance to be monitored and the impacts of these on students, graduates and institutions to be independently evaluated. The questions we pose above provide an initial framework for this research.

For a more detailed discussion and the complete list of relevant IES research please see the full working paper, which will shortly be available from the IES website.

## Notes

- <sup>1</sup> As set out in *The Future of Higher Education*, DfES, 2003; and *Widening Participation in Higher Education*, DfES, 2003
- <sup>2</sup> For details of current levels see the Student Finance section at [www.direct.gov.uk](http://www.direct.gov.uk)
- <sup>3</sup> The numbers applying to go to university reached a peak last year with 688,310 people applying for full-time undergraduate courses in the UK (see UCAS (2010) Provisional end of cycle report 2009/2010). Demand looks set to continue to increase for next year (for 2011 entry) with applicant numbers up on this time last year (at 181,814 up from 162,706, see UCAS (2010) '2011 applicant figures – November' Media Release).
- <sup>4</sup> Browne (2010), *Securing a Sustainable Future for Higher Education: An Independent Review of Higher Education Funding and Student Finance*.
- <sup>5</sup> As set out in *The Coalition: Our Programme for Government*, Cabinet Office May 2010; the Statement on Higher Education Funding and Student Finance (3 November 2010); various speeches of Vince Cable and David Willetts; and the government grant letter to HEFCE (20 December 2010).

# Preventing and managing stress at work – practice around Europe

Andrea Broughton, IES Principal Research Fellow

**Work-related stress is a major cause of absence from work, and stress levels are likely to be particularly high in the current uncertain economic climate. This is not a problem that is limited to the UK – stress is a concern in workplaces around the rest of Europe. While the extent of the problem varies from country to country, the root causes of stress have largely been similarly identified in most countries. A recent study undertaken by IES looks at stress levels and how stress is managed around the EU.**

## Monitoring stress

There is a wide range of activities and surveys designed to monitor the incidence of stress in EU Member States. Some countries have more than one survey in place and are able to provide trend information on stress, though the majority do not have national representative surveys. Cohort surveys, for example, exist in Belgium (the Belstress study) and Sweden (the Swedish Longitudinal Occupational Survey of Health, SLOSH).

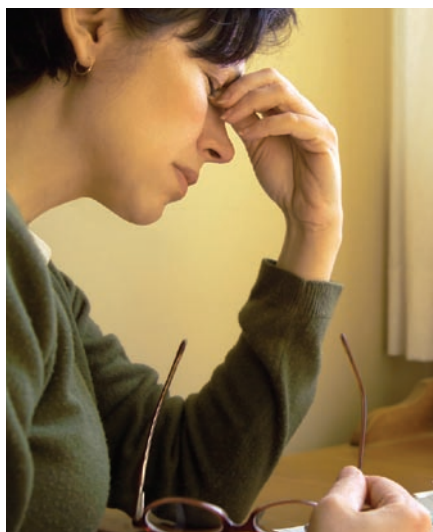
## Levels of work-related stress

The level and extent of work-related stress is often difficult to evaluate, as definitions and methodologies used in research vary considerably. The identification of stress also has some subjective elements that depend on the nature of individuals and their own responses to stress factors. In some countries, particularly the Nordic countries, stress is widely recognised as a work-related issue; in other countries, the focus is on well-being in the workplace; elsewhere in the EU, however, stress does not have such a high profile. Further, trends vary from country to country, with some reporting an increase in stress levels, such as Germany, where stress is reported to have increased over the past five years, some reporting a decline, such as Sweden, where stress levels have fallen from a peak in 2003, and some stating that the trend has been broadly stable, such as Belgium. However, it can be difficult to monitor trends across many countries due to a lack of directly comparable data.

In terms of overall levels of stress in Europe, according to the fourth European Working Conditions Survey, the prevalence of stress in the new EU Member States (NMS) is higher, at 30 per cent on average, than in the EU15, where the average is 20 per cent. Workers in many of the NMS have experienced increased levels of stress as their country moves from a planned to a market economy. For example, in Romania it is estimated that more than four million permanent jobs have been lost over the past 20 years, which no doubt has had a significant effect on increasing stress levels among the country's workforce.

In addition, there is a range of one-off surveys available around the EU, some of which are relatively broad in scope, while others focus more narrowly on psychosocial risks at work. These surveys can provide an interesting snapshot of stress-related issues at a particular point in time.





Stress levels are also reported to vary according to occupation, with a number of occupations classified as comparatively high risk for stress. These include teachers, nurses, doctors, bus drivers, traffic wardens and police officers. The stressors contained in some occupations (for example, doctors and nurses who are likely to be in contact with sick people), combined with organisational factors (ie whether they have time to deal properly with their patients, whether they have support to help them deal with the emotional impact of working with people who are suffering) can result in high levels of stress. In the case of teachers, in Slovenia 84 per cent of teachers surveyed in 2008 said that their profession was very or exceedingly stressful.

### Public awareness and level of debate on stress

The public debate regarding stress is arguably further advanced in some EU15 countries than in some NMS. In the Netherlands, for example, stress has been under public discussion for around four decades. In Sweden, stress has also been a part of the public debate for some decades, although it has centered more on long-term absence from work in the context of social insurance reforms. In Finland, the debate on stress has been subsumed more into a general debate on well-being at work, and the notion that healthy living and well-being measures can serve to prevent stress.

By contrast, the prominence of stress-related issues in the public debate is relatively low in some of the NMS, such as Latvia, Lithuania and Poland, though there are exceptions. In the Czech Republic, for example, stress has gained a relatively high profile in public debate, although this has arguably not yet been translated into policy action. Furthermore, although there is no tradition of debate on stress in Estonia, there are plans to

raise awareness of this issue during the next four years, and new survey data on stress will be collected in Slovenia over the coming two years.

### Management of stress

A European-level social partners' agreement on work-related stress, concluded in 2004, sets a common European framework for the management of stress. However, ways in which to prevent and manage stress at work vary, depending on national culture, traditions and practices. In some countries, national-level initiatives exist, while in others, including the UK, it is primarily at the company level that stress is managed.

At national level, it is possible to put into place an overarching framework, either based on a national collective agreement, as in the case of Belgium, or in the form of a national programme, as in the case of Finland, which can encourage a systematic and coordinated approach to stress management.

Sectoral schemes to improve stress management can be even more targeted, as they tend to bring together the main actors in a specific sector, who have a good overview of the main issues that need addressing. In the Netherlands, for example, it is common practice to put into place covenants in particular sectors, which are schemes agreed on a voluntary basis by the sectoral social partners within the framework of a government programme. One such covenant in the hotels and restaurants sector has proved particularly successful in reducing stress.

At workplace level, one of the main triggers for initiating a stress management programme is high absence rates: managers are often under pressure to reduce absence and, as stress is usually a major cause of long-term absence, stress management programmes are seen as a way to tackle this. Absence is also an indicator that can, if data are collected in the right way, be measured in order to show progress and to provide a business case for absence management. At Cornelian, a medium-size clothing manufacturing plant based in Mantua, Italy, for example, absence was reduced significantly when the organisation introduced stress management, targeting a number of hotspots.

An organisation's awareness of the main stress factors is also a vital component of stress management. If an organisation is aware of the main issues and problems (ideally through having run a survey or undergone a process that identifies stress hotspots), it can put into place targeted measures that address these

issues. In some cases, this can be a relatively simple and practical exercise. There are many examples of this: in the Czech Republic, the automotive components manufacturer Olho-Technik Czech established a range of stress-reducing measures such as the provision of wall bars in manufacturing shops in order to enable employees to stretch out; in France, the office furniture manufacturer Steelcase introduced measures to improve communications and to implement worker suggestions on process improvement; and in Portugal, the software company Microsoft put into place counselling for staff, in addition to a range of well-being measures such as free massage and the offer of reduced health club membership.

Overall, there is significant evidence from this study that in the majority of EU countries, organisations and companies are grappling with the issue of work-related stress and implementing measures and initiatives to try to prevent and minimise it. These include activities such as: addressing 'hotspot' issues for stress such as a lack of control over work pace and organisation, intensity of work and long working hours; running healthy living and sports campaigns; and offering dedicated support to those suffering from stress.

The ultimate goal for organisations is to reduce sickness absence related to stress and to increase the general well-being of the workforce, as this will guard against stress in the future and brings attendant benefits such as increased morale, reduced employee turnover and increased productivity. Best practice around the EU highlighted issues such as: good data collection; the importance of a robust stress policy and of involving all relevant actors (particularly employee representatives) in the development of this policy; ensuring senior management buy-in to the stress management process; developing good communications; and identifying the key issues in order to be in a position to put into place targeted measures to address them.

It is likely that stress levels will remain high around Europe, given the ongoing enterprise restructuring and uncertainty generated by the recent recession. Stress is therefore likely to remain high on the agenda of the relevant actors in the EU for some time to come.

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*Work-related stress.* Broughton A, European Foundation for the Improvement of Living and Working Conditions, Dublin, November 2010. [www.eurofound.europa.eu/ewco/studies/tn1004059s/tn1004059s.htm](http://www.eurofound.europa.eu/ewco/studies/tn1004059s/tn1004059s.htm)



# Jobcentre Plus and ethnic minority customers

Rose Martin, IES Research Officer

As difficult labour market conditions persist into 2011, Jobcentre Plus has an important role to play in helping to meet one of the government's aspirations to provide 'help for those who cannot work' and 'training and targeted support for those looking for work'.<sup>1</sup> This is particularly the case for ethnic minority groups, who continue to face significant disadvantage in the labour market, both in terms of job entry and career progression. However, a recent study from IES has found that customer satisfaction with Jobcentre Plus services does not appear to be strongly linked to ethnicity. As such, the study suggests that ethnic minorities may benefit from an overall improvement in service delivery, rather than a differentiated approach.



## The need for a more personalised and flexible service

Overall, our study found that ethnic minority customers tended to report experiences of using Jobcentre Plus that were similar to those of white British customers. Where differences did emerge, these were linked to customer group, (type of benefit being claimed), type of service used and individual customer preferences.

A recurrent theme in our findings is the inconsistency in Jobcentre Plus services with regard to the skills and attitude of the staff, and the extent to which the service is claimant-focused and personalised. Where our interviewees reported a positive experience with Jobcentre Plus, they noted that they had received personal attention and a tailored service to meet their specific needs. Customers often related this to face-to-face contact with an adviser – especially where there was an opportunity to build up and maintain a friendly relationship with the same adviser. Such repeat contact also avoided annoyances such as having to repeat information. Equally important for a positive experience was: easy access to support which explicitly catered for customers' personal circumstances; information about childcare or additional financial support, access to Jobpoints, or access to appropriate training.

Conversely, less satisfied customers often felt rushed through their interaction with Jobcentre Plus staff and felt that this was process-driven rather than customer-focused, particularly with regard to Fortnightly Jobsearch Reviews (FJR) and Work Focused

Interviews (WFIs). Some customers felt simply that Jobcentre Plus advisers were too busy to provide attention; others felt more strongly that there was an attitude of disrespect towards the out of work among Jobcentre Plus staff.

Through all of our findings, the role of the adviser emerges as key in influencing customers' experience of the service.

## Ethnic minority customers' experiences

The views discussed so far appear to be held fairly evenly across ethnic groups. So, does ethnicity matter at all when delivering Jobcentre Plus services?

Our study suggests it does, in two respects. First, our findings point to the need to raise awareness of Jobcentre Plus services to support those who may experience discrimination, bullying or other complaints against employers. Our study found very low levels of awareness of the support which Jobcentre Plus can offer in this respect, despite also finding that ethnic minority customers were more likely to report instances of perceived bullying in the workplace and unfair dismissal (although these instances were not explicitly linked to racial discrimination).

Second, we found that ethnic minority customers place particular value on face-to-face contact with Jobcentre Plus staff and also place slightly more emphasis than White British customers on the qualities of friendliness and politeness among staff.

## Conclusions

At a time when Jobcentre Plus faces dealing with high numbers of unemployed people, it also faces the challenge of working within the constraints arising from public spending cuts. Further demands on advisers will also arise from benefit reform. Reassessments of Incapacity Benefit customers, for example, will result in more Jobseeker's Allowance (JSA) WFIs and FJR being carried out and also more JSA customers with health conditions. Delivering a more personalised service under these circumstances presents undeniable challenges.

However, the Department for Work and Pensions has already expressed a commitment to the principle of providing more flexibility in service delivery, and some approaches are already being explored by Jobcentre Plus through the Delegated Flexibility Pilots, and the Advisory Services of the Future training, which support the personalisation of adviser services.<sup>2</sup> In addition, relatively cost-effective options for developing staff skills could be considered, such as the dissemination of good practice internally; mentoring and coaching, drawing on the expertise of experienced and skilled staff; and e-learning. Finally, it is worth considering that any additional resource implications of improving the quality of adviser-customer interactions would be offset by the longer-term net savings brought about by finding people work.

1. Cabinet Office (2010), *The Coalition: Our programme for government*.
2. Jobcentre Plus (2010), *Jobcentre Plus Business Plan 2010 – 2011*.

## **The Impact of the Global Economic Crisis on Decent Work and Decent Work Policies**

IES, in a partnership led by Ergon Associates, has been commissioned by the European Commission to undertake a study to assess the broad take-up of decent work policies at an international level, including the influence of major international organisations, before the onset global financial crisis. It will also provide an evaluation of the developments in decent work policies in a number of emerging economies, notably Brazil, China and India, in light of the global financial crisis, establishing how the crisis has impacted decent work promotion. The study will also analyse the potential repercussions of global economic developments and accompanying decent work responses on EU labour markets. The study will be based on a mixture of desk research and interviews with stakeholders and experts.

*IES contact: Andrea Broughton*

## **Skills Development in Sparsely and Densely Populated Areas**

Skills for Health has commissioned IES to undertake a study that will help in developing solutions on skills development and utilisation for Scottish health care employers who are operating in sparsely and densely populated areas. It will also explore whether solutions developed in one setting might be effective in the other, and vice versa.

*IES contact: Linda Miller*

## **European Safety and Health Strategy**

This is a mid-term evaluation of the European Agency for Safety and Health at Work's (EU-OSHA) Strategy 2009-2014 that will focus on its initial outputs and implementation stage. It will also provide feedback on intermediate outcomes of EU-OSHA activities and allow current EU-OSHA monitoring systems to be tested. The evaluation will consider how the intentions behind the strategy are being operationalised, and suggest any amendments to either objectives or practice, thereby providing the basis for an update of the strategy.

*IES contact: Alice Sinclair*

# publications

## **Employment and Support Allowance: Customer and Staff experiences of the face-to-face Work Capability Assessment and Work-Focused Health-Related Assessment**

Barnes H, Aston J, Williams C, DWP Report, RR719, December 2010

This report presents findings from qualitative research on the Work Capability Assessment (WCA) and Work-Focused Health-Related Assessment (WFHRA). The research was carried out in spring/summer 2010 and included Employment and Support Allowance customers, Jobcentre Plus and Pathways to Work Provider Personal Advisers, and Atos Healthcare staff working on these assessments.

The research explored customer and staff experiences and views of attending or conducting a face-to-face WCA and WFHRA, in particular whether they were being delivered as intended and possible improvements, whether the WCA and WFHRA seemed to influence customer views of work, and how the report of the WFHRA was being used in Work-Focused Interviews.

## **Using Jobcentre Plus Services: Qualitative evidence from ethnic minority customers**

Marangozov R, Bellis A, Barnes H, DWP Research Report RR717, December 2010

This report presents findings from qualitative research conducted with Jobcentre Plus customers in the summer of 2010, with a particular focus on those from an ethnic minority background. The research involved 83 in-depth, face-to-face interviews with Jobcentre Plus customers in four locations across England. These customers were from Bangladeshi, Pakistani, Indian, Chinese, black Caribbean, black African, 'Mixed' and 'Other' ethnic backgrounds. White British customers were also included in this research to explore whether the experiences reported are typical of the entire population sampled or unique to specific ethnic groups.

This research explored the experiences of ethnic minority customers using Jobcentre Plus services, to identify any specific issues and how these might usefully be addressed. The research explored in depth whether ethnic minority customers are satisfied with the service received in terms of:

- satisfaction with Jobcentre Plus services
- access to and use of Jobcentre Plus services
- parity in treatment.

As a qualitative study, it does not claim to be representative of all such customers, but does provide rich detail on customer perceptions and their view of the service they have received from Jobcentre Plus and how these influence their satisfaction with various aspects of that service.

## **Perspectives and Performance of Investors in People: A Literature Review**

Gloster R, Sumption F, Higgins T, Cox A, Jones R, UKCES Evidence Report 24, December 2010

In April 2010, the UK Commission for Employment and Skills (UKCES) took over strategic ownership of the Investors in People (IIP) Standard. This evidence review draws on a wide range of research from the last 10 years to develop a deeper understanding of how IIP is perceived and to provide evidence of the impact of the Standard on the businesses that are accredited. The review provides the UKCES with a consistent narrative on IIP to date.

Over the past twenty years, Investors in People has become an enduring feature of the UK skills policy landscape, as a training tool and as a business development tool for organisations. There is evidence of a continuing concentration of accreditations among larger organisations and employers in the public sector.

The review identifies many reasons why employers engage with IIP. These differences in motivation are likely to influence the impact of IIP on organisations, which are commonly measured in the literature as relating to training levels, operational performance and business outcomes.

There is a mixed understanding among employers and stakeholders as to whether IIP is a training tool, a business development tool, or both. The report raises interesting questions about the future objectives of IIP in encouraging more employers to invest in workforce capability.

### The 2010 RCVS Survey of the UK Veterinary and Veterinary Nursing Professions

Robertson-Smith G, Robinson D, Hicks B, Khambhaita P, Hayday S, RCVS, November 2010

This report presents the results of the 2010 surveys of the Veterinary and Veterinary Nursing professions, carried out on behalf of the Royal College of Veterinary Surgeons by the Institute for Employment Studies. The 2010 survey of veterinary surgeons is the fifth survey carried out by the RCVS; veterinary surgeons were also surveyed in 1998, 2000, 2002 and 2006. The 2010 survey of veterinary nurses is the third survey carried out by the RCVS; veterinary nurses were also surveyed in 2003 and 2008. Throughout this report, where possible and appropriate, results are compared with those of previous surveys. The aim of these surveys is to provide RCVS, and other interested parties, with an evidence-based view of the veterinary surgeon and veterinary nurse professions, and the changes taking place within them.

This year, for the first time, veterinary professions were asked about their well-being, their rest periods and holidays, and the impact of the economic climate. These data has been analysed in detail, and provide important additional insights into the professions.

### Understanding Worklessness in Newham: Final Report

Sissons P, Dewson S, Martin R, Carta E, London Borough of Newham, October 2010

The London Borough of Newham commissioned the Institute for Employment Studies to undertake an analysis of worklessness within the borough; with a particular focus on understanding those who had been out of the labour market for long periods of time, and those who had never worked. The research involved several strands, including:

- a literature review to identify and assess the evidence for the drivers of worklessness; to examine the importance of various barriers to employment for workless groups in the borough; and, to identify good practice examples for supporting workless people into employment

- analysis of secondary datasets to provide an overview of the scale and characteristics of worklessness locally; sources used include the Annual Population Survey, Annual Business Inquiry, DWP Benefits Data, and the Census of Population
- qualitative semi-structured interviews were undertaken with a range of informants, including partners and stakeholders who provide services to workless groups, local employers, and workless individuals within the borough.

### Creative Career Stories

Ball L, Pollard E, Stanley N, Oakley J, IES Report 477, November 2010

Creative Career Stories is the second report of the Creative Graduates Creative Futures longitudinal study of the early careers of more than 3,500 creative graduates, undertaken between 2008 and 2010. It draws on findings of qualitative research, providing further insights into creative careers some five to seven years after graduation. It explores through narratives the connections graduates make between their courses and careers, in their own words.

### Employment and Support Allowance: Findings from a face to face survey of customers

Barnes H, Sissons P, Stevens H, DWP Research Report RR707, November 2010

Employment and Support Allowance (ESA) was introduced in October 2008 to replace Incapacity Benefit and Income Support received on the grounds of incapacity, as part of a broader set of reforms introduced to move from a passive to an active welfare system, and as a response to the welfare reform Green Paper: A new deal for welfare (2008). People claiming Incapacity Benefit and Income Support on the grounds of incapacity, as well as Severe Disablement Allowance, are to be reassessed for ESA nationally from early 2011. This report presents the first findings of a representative face-to-face survey of 3,650 ESA claimants. It was carried out between December 2009 and February 2010 by Ipsos MORI. The sample consisted of those who made a claim for ESA between April and June 2009, allowing a sufficient gap for the majority to have had a decision on the outcome of their claim by the time of the survey.

## briefings

### The Impact of Flexicurity at Company Level on Women, Young, and Older Workers

IES has been commissioned by the European Foundation for the Improvement of Living and Working Conditions, Dublin, to carry out research into the impact of 'flexicurity' provisions at company level on employment and working conditions of women, young workers and older workers. The research will be based on 18 company case studies in six EU member states and will be analysed in a report due by autumn 2011.

IES contact: *Andrea Broughton*

### Unsuccessful Claims for Employment and Support Allowance

A large proportion of those who claim Employment and Support Allowance (ESA) withdraw their claim or are found fit for work and not eligible for benefit. We know that some of them return to work, and others go on to claim Job Seeker's Allowance, but a large proportion simply 'disappear' from benefits data. This exploratory qualitative study for the Department for Work and Pensions will talk to people about their decision-making process; why they claimed ESA, why they withdrew their claim, how they reacted to the decision on their claim, what they did next, and why. It will aim to shed light on the variety of trajectories among unsuccessful claimants of ESA, and the differing circumstances and motivations that may underlie these.

IES contact: *Helen Barnes*

### Evaluation of Working Neighbourhoods Fund

The London Borough of Tower Hamlets has commissioned IES to evaluate its Working Neighbourhoods Fund (WNF) programme. Through WNF Tower Hamlets have funded 33 projects that are designed to help address the high levels of worklessness in the borough. The evaluation will involve an assessment of the overall impact of the programme in terms of its outcomes and achievements, as well as value for money. It will also provide individual reports for each of the WNF projects.

IES contact: *Paul Sissons*



## Policy learning and the role of research

Frequent staff movement in a civil service dominated by a generalist culture, coupled with the 'policy pendulum' driven by government changes in a first-past-the-post electoral system, are often held responsible for the chronic lack of institutional memory in the UK policy-making machine. This lack was highlighted by the public administration select committee earlier this year, which also noted that the incoming 1997 Labour Government adopted a 'year zero mentality' to policy-making. Often it seems that the policy machine fails to incorporate lessons from earlier policy-relevant research into new policy development. This is particularly true of evidence that predates the late 1990s, and does not show up in Google searches. While the research community is well able to supply the institutional memory lacking in government, this resource is rarely fully used.

Recent years have seen numerous examples of wheel-reinventing policy initiatives, with major policy reviews failing to incorporate previous experience and knowledge, and spending large sums reaching conclusions already known. To draw on IES's own experience, and as Ewart Keep described in a paper for the Institute's 40th anniversary,<sup>1</sup> UK skills policy is littered with such examples. The influential 2006 Leitch Review, which underpins recent UK skills policy, identified many of the same problems and came up with many of the same policy proposals as research commissioned by the National Economic Development Council in the 1980s. IES was heavily involved in this earlier work but, as Keep points out, it seems that skills policy has failed to address the problems identified by that research, and has a tendency to repeatedly uncover the same problems as if they were newly discovered.

It is too early to know whether the new government is adopting a similar scorched earth approach. There is, however, a risk that the combination of a fresh approach to policy-making, new ministerial teams and dramatic cost reduction will inhibit policy learning at a time when it could be most valuable. There are many examples of 'new' initiatives, which could clearly benefit from the lessons of policy-related research from the past. One is the growing emphasis in coalition policy on self-employment, and the plans to encourage and support the unemployed to start their own businesses under a 'New Enterprise Allowance Scheme'. This has echoes of the Thatcher government's much trumpeted 'enterprise culture', which saw rapidly growing self-employment. Unfortunately this

fizzled out in a major way during the 1990s, as we discovered that many new self-employed were construction workers avoiding tax and national insurance, and that many start-ups supported among the unemployed by the original Enterprise Allowance Scheme turned out to be poorly-advised enterprises in low margin, crowded service sector markets with weak survival prospects. It is not clear that the 'right' people were steered to self-employment, or helped to survive by being given appropriate business skills. There is much to be learned from earlier experience of similar policies, in the UK and overseas,<sup>2</sup> and the research evidence (contributed by IES and others) on their effectiveness. It is to be hoped that those responsible for policy design are actively incorporating these lessons, to increase the chances of self-employment representing a sustainable outcome for the unemployed and others. The risk is that this evidence will be overlooked, or seen as 'outdated', in the rush to develop a gleaming new policy.

Finally, it is worth mentioning that policy learning takes place not only over time, but between countries. Again, research has a role to play here, not least because policies are notoriously hard to transfer between different national cultural, economic and institutional settings. A little-known but valuable tool in this regard is the peer review process in the EU's 'open method of co-ordination', which aims to spread good practice in social and employment policy. This process brings together government officials and policy experts from EU member states to examine policies on the ground in individual countries and to explore their potential transferability in the light of evidence on their performance. IES was for many years involved in the team co-ordinating the labour market policy peer reviews in the EU's *Mutual Learning Programme*,<sup>3</sup> and it currently plays a similar role in the peer review process of social policies.<sup>4</sup> It is to be hoped, in resource-constrained times, that the new UK government fully avails itself of this rather cost-effective methodology for learning from other countries what works in policy terms.

## Notes

- <sup>1</sup> Keep E (2008), *From Competence and Competition to the Leitch Review*. The utility of comparative analyses of skills and performance, IES Working Paper 17
- <sup>2</sup> For an IES-led review of international evidence from the 1980s and 90s, see Meager N (1996), 'Self-Employment as an alternative to dependent employment for the unemployed', in Schmid G, O'Reilly J, Schömann K (eds), *International Handbook of Labour Market Policy and Evaluation*, Edward Elgar
- <sup>3</sup> [www.mutual-learning-employment.net](http://www.mutual-learning-employment.net)
- <sup>4</sup> [www.peer-review-social-inclusion.eu](http://www.peer-review-social-inclusion.eu)

IES is an independent centre specialising in research, evaluation and consultancy on employment policy and practice. The Institute is a not-for-profit organisation with a mission to help bring about sustainable improvements in employment policy and human resource management by increasing the understanding and improving the practice of key decision-makers in policy bodies and employing organisations.

The Institute has over 40 staff and associates, skilled in the full range of social research methodologies for data collection and analysis. Techniques employed include: quantitative surveys (using face-to-face, telephone and postal methods); expert and informant interviews; case studies; qualitative interviews; and focus groups.

Clients include major public agencies involved in the development, design and delivery of public employment policy at local, sectoral, regional, national and international level.

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