

# **‘Local Approaches to Improving the Quality of Work’**

**Inclusive Growth Analysis Unit Annual Conference, Manchester 4<sup>th</sup> December 2017**

## **A brief overview of the main themes<sup>1</sup>**

---

### ***Why improving the quality of work is important***

- Good work is crucial to both economic and social policy priorities. Insecurity, low pay and poor quality of work are the cause of productivity problems as well as social problems.
- In the public sector, poor quality work is linked to poor quality of services (the main example discussed at the conference was domiciliary care). This has social and financial costs – for example rising health care budgets and loss of tax revenues when elder care falls on family members affecting their employment and earnings.
- Problems of low pay and insecurity are increasing, nationally and in Greater Manchester. There has been an increase in precarious employment of all kinds – agency work, zero hours contracts and self-employment and GM has experienced a worse pay squeeze than the UK as a whole.
- On issues like these, the UK compares unfavourably with many of our European neighbourhoods. We are in Europe’s second division on many good work measures.
- A lack of investment in people and workforce development is contributing to skill shortages across our economy.

### ***There are opportunities to address some of these problems at the city region level***

- Devolution and the local place leadership that comes with the office of Mayor provide an opportunity for Greater Manchester to take action on this agenda. Could GM set itself as a beacon for good work, making it a core goal of social and economic policy and developing a strong local coalition?
- The Mayor’s proposed employment charter.
- The new GM strategy already highlights the relationship between economic policies and social outcomes and we need to further develop understandings of these issues e.g. how poor conditions for care workers affect outcomes for older people.
- Local industrial strategies and concerns about low productivity also provide a new focus.

However, delegates pointed out that these links cannot be taken for granted. A shift is needed from traditional economic development thinking and it is crucial that businesses are centrally involved. Discussions about pay, conditions and workforce development need to be positioned in conversations about productivity not just cajoling businesses to do the right thing. There are national examples of business coalitions leading on these issues e.g ‘be the business’: can we envisage local collaborations along the same lines?

---

<sup>1</sup> Films of the conference and slides from all presentations are available on the IGAU website: [www.manchester.ac.uk/inclusivegrowth](http://www.manchester.ac.uk/inclusivegrowth)

**People talk about different things when they talk about good work**

*'making the best of people's talents today and tomorrow'*

*'meaningful fulfilling work that gives people a strong sense of purpose'*

*'flexibility is a good thing but some business models are developing in which employment rights are eroded and we may be in danger of a race to the bottom*

*'bad work' is in fact permissible if opportunities exist for progression into better work.'*

Pay, security, training, career structures, and also issues such as dignity and respect were all mentioned. There may be a need to develop a clear vision and shared understanding and consensus on priorities.

***There were many suggestions as to things that could be done at local level (more detail of these can be found in the presentations and videos from the conference). They included:***

- A higher minimum wage if you work non standard hours ("the overtime principle")
- Could GM trial a local minimum wage?
- A new GM 'employability framework' – to recognise capabilities and transferable skills, which may have been gained through non-paid work as well as paid.
- A GM wide in-work appraisal scheme using a common framework of transferable skills making it easier to move between employers and sectors.
- Targeted training subsidies for workers in non standard employment to help them progress to fill skill shortages.
- The public sector leading by example.
- Strengthen business networks (eg in Germany legal obligation to join Chamber)
- A sectoral approach to reach SMEs.
- Target HR professionals with this agenda.
- More case studies and storytelling
- Greater pooling of apprenticeship levy – top slicing for targeted training.

More detail on the suggestions coming out of the specific workshop discussions follow as a second section of this note.

***Other issues that speakers drew attention to***

- Tackling the high pay problem
- Universal Credit driving people into Zero Hours Contracts. Impacts of other welfare reforms: for example a significant proportion of Work Programme outcomes being temporary, casual or agency work.
- Need for some good measures of the amount of good work in the GM economy- and some targets.
- Needing to work with business communities not just individual businesses which remain islands of excellence.
- High costs of childcare.
- Strengthening worker voice, but not a consensus on how this should be done

## A summary of the workshops<sup>2</sup>

---

### ***Employment Charters: Some lessons and ideas about how charters can work to promote good work***

- Understanding progress/impact takes time and resource and must be built in from the start;
- A charter needs to be meaningful to employers, for example by embedding it in the council's commissioning and procurement processes;
- A tiered approach can support employer engagement but it can be difficult to get employers to work toward more demanding commitments once signed up.
- Need to strike a balance between enabling and requiring employers to adopt good employment practices. Legal minimum requirements should be effectively enforced, and voluntary standards set above that floor.
- There is also a need to develop demand for good employment practices.
- The aim should be to change overall outcomes – e.g. number of employees paid above the Living Wage, not to count numbers of employers signed up.
- The development of the charter should not be left to employers. A case was made for consulting workers, campaigners others on the design and aims of the charter.
- The charter should not simply promote the Living Wage. Participants were keen that it should: offer ways for workers to re-engage in learning; include a commitment to ensure that the workforce represents the local community; and/or help to promote gender equality. Note the specific call on flexible working from Timewise.
- Not enough to cite evidence of employer benefits as many changes will still entail upfront costs to the business. Highlighting how many employers are *already* meeting the charter commitments might encourage others to sign up.
- Should we have a GM-wide charter at all? - more important to promote the right kind of activity locally?
- Managing the accreditation process can be difficult and labour/resource intensive; oversight is needed to ensure compliance, alongside a system of support to engage employers to change their practices.

### ***Other ways of supporting good work***

- Develop a 'good business checklist', included criteria such as treatment of employees, and issues regarding the supply chain and the economic/social impact of business.
- Efforts to generate consumer norms around responsible business.
- Work with SMEs – and do targeted engagement activities in partnership with community groups to reach ethnic minority owner SMEs which often do not access business support services.
- '*quid pro quo*' agreements could be established between local authorities and local businesses; an example given was a local haulage company, who, in exchange for demonstrable changes to their business in terms of responsible practice, would be helped by their local authority to modify the physical surroundings of their site to make it easier for HGV lorries to manoeuvre.

---

<sup>2</sup> films of the conference and slides from all presentations are available on the IGAU website: [www.manchester.ac.uk/inclusivegrowth](http://www.manchester.ac.uk/inclusivegrowth)

## **In-work progression**

- There are different types of progression. Monetary – higher pay rates and working more hours. Non-monetary – increasing job stability and better prospects.
- Policy can be designed to target work entry and progression outcomes jointly.
- There are potential benefits of a *sector-focused* approach to progression, *but* insufficient evidence to identify the ‘best’ sectors to target
- There is less evidence about progression via external than via internal labour markets.
- Oldham Career Advancement Service – an example of what can be done. A brokerage service to adult education opportunities which includes face to face, email and telephone contact, enabling bespoke individual interventions to be developed, including: skills audits, action plans and personal development plans.
- Lessons from Step Up and Skills Escalator Pilots:
  - Engaging low paid workers is intensive. No wrong door approach important. In work progression is an unfamiliar concept.
  - Communicating about progression is important, avoiding jargon key - eg, not speaking about progression. Needs to resonate with individual’s situation.
  - Importance of having a tangible outcome eg: qualification
  - Much more resource intensive, 1-1 support to fit around work schedules, difficult to deliver group sessions because of work
  - Employer engagement important, but varied success and some challenges and messaging needs to be tailored, eg recruitment or retention.

## **Making sure different groups are equally able to access good work**

- There is a clear interrelationship between good work and social outcomes. Eg the three things identified as important for a good older age: health, financial security and social connections – all closely linked to good work in working age.
- Working with HR and with line managers is key to encourage a better understanding of a) the benefits of reaching a wider potential workforce and b) understanding how jobs and work programmes can be designed to enable flexible working or meeting needs of employees.
- The importance of case studies/stories is important. Emphasised working through business networks.
- On Flexible working, asks were:
  - GMCA to build into strategic priorities for driving inclusive growth. Walk the talk as Timewise Councils, NHS Trusts...
  - Equip managers to understand: flexible job design. Provide support for SMEs, share good practice with others.
  - Good Employment Charter: include a flexible hiring ‘ask’
- On older workers, they need the same ‘good work’ as anyone else but they may also need flexibility and support to manage their health at work. But there are benefits. Older workers perform as well if not better than younger workers and tend to have higher loyalty to employers.

Thanks to Ingun Borg, Mike Hawking, Ceri Hughes and Alex Macdougall for their contributions to documenting this conference.