

# SUMMARY “GOOD WORK – GOOD EMPLOYERS”

## Rationale

Investing in a business’ workforce and treating workers well is good for employees, but is also good for productivity and good for business.

Employers who pay the Living Wage have increased motivation in their workforce, whilst decreasing staff turnover, sickness and absenteeism. Conversely, evidence shows that financial worries impact on performance at work among employees.

According to the ‘How Good is Your Business Really?’ report, businesses where employees are engaged in what they are doing perform better: those in the top quartile for engagement have 18% higher productivity than businesses in the bottom quartile. This kind of approach has the potential to make staff feel empowered, to reduce rates of absenteeism and staff turnover; it encourages innovation and develop better skilled workers.

## What is good work?

There are a variety of definitions of good work. In his recent review of Modern Working Practices, Matthew Taylor presented a working definition based on six high level indicators, as follows:

- Wages
- Employment quality (including job security, permanent status, etc.)
- Education and training
- Working conditions (including task discretion, variety, work intensity)
- Work life balance
- Consultative participation and collective representation.

## Challenges

### 1. Pay

Pay is a central characteristic of good employment. In the Leeds City Region, 300,000 jobs (or 24%) pay wages below the real **Living Wage of £8.75** (set annually by the Living Wage Foundation). This is slightly higher than the national average of 23%. However, there are considerable regional and demographic variations, with 28% of jobs in Kirklees paying below the Living Wage and around 50% of male part-time workers earning below this voluntary threshold.

Around 160,000 households in the City Region rely on **in-work benefits** (tax credits) to top-up their pay.

It is estimated that more than 100,000 people in the City Region are **under-employed**, i.e. they are looking to work more hours.

**Precarious work** is also a key challenge, with around 37,000 people regionally employed on zero hour contracts and 22,000 people on temporary contracts who would like a permanent job.

## **2. Working conditions**

However, good jobs are not just about pay. Many workers value **flexibility**, e.g. the opportunity to work part-time or flexible hours. However, only around one in three employers (36%) in Yorkshire and the Humber say that their workers have access to flexible working “to a large extent”.

Worker **autonomy** is key to maximising the productive potential of employees and contributes to their well-being in the workplace. Data for Yorkshire and the Humber shows that less than half (46%) of employers offer significant task discretion to their workforce, barely half (52%) offer task variety and only 11% create teams to work on projects comprising people who do not usually work together.

## **3. Insecurity at work**

At national level 28% of workers feel anxious about having their pay reduced. And 7% of employees – equivalent to 1.7m workers – feel very anxious that their working hours could change unexpectedly.

## **4. Work intensity**

High workload is the greatest cause of workplace stress. The proportion of workers in jobs where it was required to work at ‘very high speed’ for most or all of the time rose by 4 percentage points to 31 percent between 2012 and 2017. The proportion of women working in ‘high strain’ jobs, combining very high work effort with low task discretion and therefore creating an elevated risk of workplace stress, rose by 5 percentage points between 2012 and 2017, to 20 percent.

## **5. Fairness at work**

Fairness of treatment at work is a central determinant of employee well-being. At national level three-quarters of workers believe that their organisation treats employees fairly but 22 per cent believe that it has a low level of fairness. Employees in lower-skilled roles are more likely point to a lack of fairness, with 35 per cent of manual operatives falling into this category.

## **6. Training and development**

Good employers invest in **training and development** for their staff at all levels. According to the Employer Skills Survey 2017, only two out of three employers in the City Region (65%) provided training and only 59% of workers received training in the previous year. The main reason for not providing training was a belief that no training was needed but only half of employers (51%) undertake formal training needs assessments.

Moreover, some employee groups are less likely to receive training than others. In the City Region those qualified at level 3 and below are half as likely to receive work-related training as those qualified at level 4 and above.

## **7. Progression**

For most low-paid workers, poorly-paid positions do not provide a first rung on the ladder – it is the only rung. National data show that of all those low paid in 2006, by 2016 just one in six (17 per cent) had made a sustained escape from low-paid work.

## **8. Engagement**

Employee engagement is about empowering employees to make decisions, fair treatment of employees and providing effective channels for the employee voice. National evidence suggests that there is more to do around employee engagement:

- Just over half (58%) of the UK's employees feel engaged at work.
- A fifth of UK employees would not recommend their organisation as a place to work.
- Same proportion do not feel their organization motivates them to contribute more than normally required.

Effective channels for the **employee voice** are a key part of successful employee engagement. A minority (45 per cent) of employers in Yorkshire and the Humber have formal consultation procedures in place, whereas only 11 per cent consult trade unions for reasons other than negotiations about pay and conditions.

### **Businesses could do more in the following areas:**

- Employers can commit to paying, or seeking to pay, the Real Living Wage.
- Employers can offer greater security in work through measures such as the right to request guaranteed hours or more hours of work for part time staff.
- Employers need to understand more about who in their existing workforce would like more hours and whether this can be accommodated.
- Apprenticeships offer an opportunity to develop workers and support progression opportunities.
- Investment in the capability of managers is key to offering a good working environment but almost 20% of employers in the City Region with skills gaps (staff not fully competent in their role) say that they have a deficit of management skills. This has implications for key areas like staff motivation and staff retention.
- Employers can commit to inclusive recruitment practices.

### **Discussion round:**

1. What are the main challenges in relation to 'good work' in the region/ your local area?
2. What are possible local solutions/ best practise to overcome these challenges?
3. What are examples of good practice in your local area which the Inclusive Growth working group could gain a practical understanding from?