

Working Well:

Perspectives on Good Work and why it matters



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2. Foreword

Matthew Taylor

As a reader of this interesting and wide-ranging collection you have an advantage over me, the author of its foreword. At time of writing I am expecting the official Government response to my Review of Modern Employment in the next few days. I don't know what that will be but, by now, you do.

Of course, I hope that response will be substantive. But whatever the Government decides I already feel the Review has had a significant and benign impact. The final Review Report was entitled 'Good Work' and this phrase and the principles behind it seem to have caught many people's imagination. Since the launch last July I have been involved in conferences, research programmes and debates exploring good work for all and the many issues this aspiration raises. The essays in this report are a further welcome addition to that conversation.

In a statement that has since been widely discussed the Review suggested the single most important factor in people's experience of work is the quality of management they experience. This is a point repeated in various forms by several contributors; Niall Ryan-Jones of Harrods and Stuart Innes of Standard Life highlight good, and innovative, practice in their respective organisations while Tony Danker and Jessica Northend from Be the Business, Neil Carberry from the CBI and Petra Wilson from CMI make the broader argument. Liz Banks from REC reminds us that in all forms of work good management starts at the point of recruitment.

These accounts reminded me of the phrase used by Charlie Leadbeater some years ago when describing the culture and practices of some of the world's most innovative organisations; he described them as 'creative communities with a cause'. The first ingredient here is inspiring, strategic, leadership – the kind that helps not only to strengthen the organisation but also to provide the sense of meaning emphasised in Katie Bailey powerful essay. The second element is 'community', the sense of shared purpose, which can, as the TUC's Janet Williamson argues be enhanced by ensuring workers have a collective voice. Equally, the feeling of teamwork is undermined when people perceive profound unfairness, an issue highlighted from different perspectives by Stefan Stern bemoaning unmerited pay at the top and Christina McAnea highlighting the plight of low paid workers in the social care sector.

Finally, 'creative' refers to a culture in which people are encouraged to have and share ideas, something

highlighted by Dean Royles, Director of HR at Leeds Teaching Hospitals who shows how listening to the feedback of staff can enable managers to see problems and make improvements. Juani Swart and David Cross from Bath University encourage us to see how technology carefully – and caringly – introduced can enhance the scope for creative work.

But even if what matters most is management and organisational culture we still need the law to ensure people have, and know they have, the rights and entitlements they need and deserve. Drawing on the insights from ACAS' vital work, Brendan Barber describes the essential components of decent work, Diane Gilhooley reminds us that however well the law is drafted lawyers and the courts will still have an important role in interpretation, while Dan Warne makes the case for a framework of law which enables the benefits, for those who choose it, of working through on-demand platforms like Deliveroo.

I like Charlie Leadbeater's formulation because it also points to the combination of influences which my own organisation, the RSA, focusses upon when we think about change; namely, authority, individual aspiration and shared values. It was this that I sought to combine in the report. To turn the core aspiration of my Review into reality, Government needs to set the right regulatory and institutional framework, we should aim for rules which channel – not stifle – enterprise, innovation and aspiration and we need a society-wide commitment to decency and opportunity at work for all.

Whether the Government response surpasses or dashes expectations – and people's view will no doubt depend on their starting points – good work looks to be firmly on the agenda. This report will help it stay there.

Matthew Taylor is Chief Executive of the Royal Society of Arts and author of the 2017 Review of Modern Employment Practices.



1. Introduction

Patrick Bri ne and Nita Clarke OBE, IPA

We open this report with a simple question: is our current world of employment ‘working well’ for the UK’s 32 million workers? Certainly the number of jobs available has increased consistently over recent years and current low unemployment levels are to be welcomed. But increasingly attention is being turned to the quality of that work, not just the quantity of it.

In the 21st century, we recognise that it is not enough for a job to simply provide us with a source of income. Workers deserve jobs that also give them a reason to look forward to going to work in the morning, or at least not to actively dread it. Work is a huge and important component of everyday life for the majority of people for the majority of their existence. It is therefore obvious that working well is a vital ingredient for living well. If we want good lives, we need good work.

The Prime Minister, Theresa May, accurately summed up the importance of good work at the launch of Matthew Taylor’s Review of Modern Working Practices last year:

“The nature of employment is central both to our national economic success, but also to the lives we all lead. From the end of our childhoods until the years of retirement, if we don’t win the National Lottery jackpot, the vast majority of us will expect to devote at least half of our waking hours, on most days of the week, to work. A good job can be a genuine vocation, providing intellectual and personal fulfilment, as well as economic security. With good work can come dignity and a sense of self-worth. It can promote good mental and physical health, and emotional well-being.”¹

Of course, the converse is sadly also all too true. Despite the genuine success of recent years in increasing the number of workers in employment, for too many of those workers in the UK, work can often be unfulfilling, insecure and poorly paid. Rather than enjoying dignity and self-worth, some workers are unvalued and ignored at best, or at worst endure degrading or bullying treatment throughout the day. Just as good work can promote



good mental and physical health, so bad work can lead to poor mental and physical health.

The pursuit of good work, however, is not solely about a moral quest to improve the quality of life of working men and women – though it certainly is that. But it also has real consequences for employers themselves, and for wider society. This report is not the first to make the link between work quality and productivity, nor the connection to the ability of firms to recruit and retain skilled staff, though both of those are explored over the following pages. Likewise there is a huge need to restore confidence and trust in British businesses after a number of recent scandals, something which a focus on good work can only help with.

But what is it that makes for a good job with a good employer? Is it possible to have a bad job with a good employer, or even a good job with a bad employer? And might something that seems like a good job to one worker look like a bad job for another?

The conclusions of the Matthew Taylor Review of Modern Working Practices last year made a major contribution to both addressing some of these questions, through its assessment of the foundations of quality work, but also in bringing attention to and stimulating a wider national debate into the subject of good work. The aim of this paper is to further that debate, with the inclusion of sixteen varied viewpoints from prominent individuals including academics, employers, trade unionists, policymakers and others.

¹“We have to invest in good work,” – Theresa May’s speech at Taylor Review launch 11th July 2017

All of the following chapters have their own unique and valuable points to make, about the definitions and measurements of good work, arguments for why it matters, and thoughts on how to bring it about. What they all have in common, however, is a commitment to working towards the ambition outlined by Matthew Taylor and endorsed by the Prime Minister last year, of ensuring that in future “all work is fair and decent.”²

Chapters

Jonny Gifford, Senior Advisor - Organisational Behaviour at CIPD opens the first chapter with a call to focus attention on measuring different aspects of good work and defining what we mean by the phrase. He outlines seven key dimensions of job quality, several of which are explored in more detail in the later chapters, notably meaningfulness (Chapter 4), pay, (Chapter 11), terms of employment (Chapter 13) and voice (Chapters 9 & 14).

Petra Wilton, Director of Strategy at CMI makes the case for a greater focus on management skills to address one of the underlying causes of a poor workplace experience. She points to the need to tackle the large proportion of ‘accidental managers’ in the UK who lack the training and ability necessary to foster positive working environments through building inclusive teams and restoring trust with the workforce.

Liz Banks, Director of Communications & Research at the REC writes about the importance of work quality in assisting with recruitment and retention of skilled staff and the need for employers to focus more on ensuring they advertise the good aspects of jobs to attract the talent they need. She also makes the point that temporary work can also be good work and outlines what is needed to make it happen.

Katie Bailey, Professor of Work and Employment at KCL discusses the concept of finding meaning in work. Drawing on her own research in this area, she explains how meaningfulness is created, why it is important and what organisations can do to foster it without trying to mandate or manipulate employees into a form of ‘existential labour’.

Neil Carberry, Managing Director of People & Infrastructure at the CBI talks about the importance of restoring trust in UK businesses through a renewed focus on the everyday experiences of the workforce. He makes a persuasive argument for why business leaders should take action and adopt a new long-term approach to managing, developing and engaging their people, or risk falling behind in a changing world.

Christina McAnea, Head of Health at UNISON describes the challenges facing the 1.5 million workers in the frontline adult care sector in the UK. Despite a strong sense of purpose and meaning in their work, pay and conditions are so poor for many workers in the sector that they could not be described as enjoying good work, and retention levels suffer as a result. Christina outlines an alternative approach based around UNISON’s ethical care charter, which may offer a better model for workers in this sector.

Sir Brendan Barber, Chair of Acas draws on 40 years of Acas insights into workplaces to build up a picture of what everyday good work looks like for employees and the key factors in enabling it. He points to the importance of clarity in the working relationship, having trusted procedures to address concerns, a healthy respect for work-life balance, voice, fair and transparent pay structures, a work environment that is conducive to both physical and mental wellbeing and a positive approach to diversity and inclusion.

Niall Ryan-Jones, Head of Employee Experience at Harrods writes from an employer’s perspective about the connections they have made between good work for their employees and good customer service. By adopting new approaches to their employees’ engagement and work experience based on their customer relationship management practices, they have seen major improvements to their turnover, absenteeism, sales and customer satisfaction ratings.

Janet Williamson, Senior policy officer at the TUC presents the case for employee voice and representation as one of the key pillars of what makes for a good job. As well as being valuable in its

²‘Good work: the Taylor review of modern working practices’ – Department for Business, Energy & Industrial Strategy, July 2017

own right, individual and particularly collective voice and consultation also supports and enables many of the other aspects of good work such as higher wages, better work-life balance, better and safer working conditions, more skills and training and a healthier workplace culture with reduced bullying.

Dan Warne, Managing Director of Deliveroo UK discusses Deliveroo's vision of what makes for good work in the on-demand economy. As well as the need for fair pay for hours worked, active engagement and a meaningful voice at work, this also involves finding the right approach to managing the trade-off between flexibility and security that characterises the sector.

Stefan Stern, Director of the High Pay Centre sets out the link between good pay and good work and explains how paying workers a good wage would benefit not only their wellbeing, but the success of their employers. He counters the argument that this also justifies current levels of executive pay in Britain and instead makes a powerful case for the need for greater fairness in pay levels across the board.

Dean Royles, Director of HR at Leeds Teaching Hospitals NHS Trust outlines the ways in which the technologies of the Fourth Industrial Revolution are reshaping work within the public sector and the need to make sure that they are being used to improve the quality of work rather than intensify work. He talks about the need for employers to role-model good digital behaviours, seek the views of staff and focus on the sense of community, while embracing the opportunities offered by AI and other technologies.

Diane Gilhooley, Global Head of Employment and Pensions at Eversheds Sutherland lays out the various ways in which the legal environment supports and defines work and good work. She explains the law around employment status as it stands and proposals for reform under consideration, as well as the importance of clear contracts and rights in supporting good work. She also discusses the responsibility of employers to ensure good work not only for their own employees, but throughout their supply chains.

Stuart Innes, Vivo Principal Officer at Standard Life describes the way in which Standard Life has used its staff association, Vivo, to establish an effective system that provides employees with an informed, collective voice. He explains the key principles that underlie the success of their approach and how it helps to provide one of the key pillars needed for a good work experience.

Tony Danker and Jessica Northend, Chief Executive and Corporate Affairs Director of Be the Business together set out the scale and background of the productivity challenge that is facing the UK economy. They write about the case for stronger business leadership in the UK to address this and the need for both 'will' and 'skill' to embark on the journey towards better management, something which can lead to both better productivity for firms and better jobs for workers.

Juani Swart, Professor in Human Capital Management and David Cross, Research Associate at University of Bath School of Management conclude this report with a look towards the future and how changing technology might cause us to re-evaluate what we think about work. They ask the big questions about the future of work – might AI and automation replace human labour for many or most tasks? Will there be any obligation for humans to work at all? Or are there still aspects of human work that are worth valuing and preserving in such a world?

We hope that readers find this publication both interesting and enlightening. Most of all, however, we hope that the ideas and opinions from these sixteen valuable perspectives help to push forward the ongoing debate around good work in the UK, the case for why it matters, and how the vision of good work outlined in the Taylor Review can ultimately be realised. If that debate leads to genuine improvements in the daily working conditions of just some of the UK's 32 million workers, that would be doing good work indeed.

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3. Measuring good work

Jonny Gifford, CIPD

Asking why we should measure good work (or job quality, as it's more normally termed in research literature) may seem so obvious as to be banal. We all know that having a good job is important; that work occupies a big slice of our waking hours and, for good or for ill, can have a huge impact on the quality of our lives. And we know that measurement is important. The 19th century physicist and engineer Lord Kelvin (William Thomson) put it thus:

*'When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind; it may be the beginning of knowledge, but you have scarcely in your thoughts advanced to the stage of science.'*¹

The celebrated management consultant, Peter Drucker famously crystallised this idea in the maxim, 'what gets measured gets managed', which is sometimes incorrectly interpreted as saying that what can't be measured isn't worth attention. Measurement is not the be-all and end-all and some things – such as creativity and innovation – do not lend themselves to being comprehensively measured. But there is a huge amount we can do to measure human capital and related aspects of work and employment, and it is essential that we do so, so that we can understand them more fully and focus people's efforts on bringing about improvements.

Measuring the core and more detailed aspects of working life will shed light on relative strengths and weaknesses in different situations – for example, in different professions, types of organisation, sectors, or geographical locations – and the factors that influence better or worse outcomes. It will also guide actions to improve it, benefitting individuals, the organisations they work for and wider society.

A multifarious concept

Despite the obvious gain in doing so, it's clear that we haven't cracked the measurement of job quality. There is no commonly agreed set of metrics that's used to describe job quality, track it over time,

compare it between different contexts or groups of people and analyse what improves or worsens it.

The missing link between the arguments and actionable assessments is tangible. On the publication of his 2017 *Review of Modern Working Practices*, Matthew Taylor commented:

'There are too many people at work who are treated like cogs in a machine rather than being human beings, and there are too many people who don't see a route from their current job to progress and earn more and do better.' Matthew Taylor (2017)²

This gives us some insight into some of the factors that constitute poor (or good) quality jobs. We can dig further into the detail of what this might mean in specific instances, as did Theresa May in her initial response to the Taylor Review:

'That flexibility [of zero-hours contracts] cannot be one sided, with workers shouldering the requirement to be available to work at very short notice without any guarantee that work will actually be available or that they will be rewarded for their flexibility.' Theresa May (2017)²

But the Taylor Review also recognises that there is a sizable jump from qualitative and nuanced statements such as these and generalizable measures that give reliable, actionable assessments (indeed, developing job quality metrics was a central recommendation of the review).

An immediate challenge lies in the multifarious nature of job quality. We can all spot a terrible job when we see one, but our descriptions will not likely be consistent, as job quality can refer to a number of different things.

The obvious starting point is to look at fair earnings: a decent wage for a decent day's work. But we can also describe job quality in terms of how interesting work is; the epitome of mind-numbing repetition



¹ Lord Kelvin cited in Van der Zee, H. (2001) *Measuring the Value of Information Technology*. p.5. Hershey, PA: IGI Global.

² Matthew Taylor and Theresa May quoted in BBC (2017) *Taylor Review: All work in UK economy should be fair*. Article available at: <http://www.bbc.co.uk/news/business-40561807>

being Charlie Chaplin's depiction of a machine operative in *Modern Times*. Related to this, but distinct, job quality can be a question of how skilled the work is and the opportunities for development. Alternatively, it might describe the social environment – for example, facing degrading or humiliating treatment, or conversely having a supportive, friendly environment. And that says nothing about how stressful, safe, meaningful or fulfilling jobs are, work-life balance, commuting time or the security and predictability of our working hours.

Dimensions of job quality

A lack of consensus on what constitutes good or poor job quality presents a challenge, but one we should grapple with. Working with the Institute for Employment Research at Warwick University, the CIPD has reviewed the different ways in which job quality has been conceptualised and operationalised into measurements.³ From this, in particular drawing on the work of Rafael Muñoz de Bustillo and colleagues,⁴ we have defined seven core areas of job quality⁵:

- **Pay and reward.** No set of measures of job quality would be complete without this.
- **Job design and the nature of work.** The first area of intrinsic characteristics of job quality includes how purposeful or meaningful people feel their jobs are, how skilled and complex the work is, how good the person-job match is, development and career opportunities, how intensive work is, how well resourced people are to carry out their work, and how much autonomy they have in their jobs.
- **Social support and cohesion.** The second area of intrinsic characteristics includes the quality of people management and relationships with bosses, supervisors and colleagues.
- **Terms of employment:** including hours contracted, hours worked and hours that people would like to work; type of contract (including zero-hours contracts); job security; and development opportunities provided.
- **Health and well-being:** including stress, work engagement, physical and mental health and safety.

- **Work-life balance:** including whether people work more than they would like to, clashes between work and personal commitments, provision for flexible working, and commuting time.
- **Voice and representation:** including what channels are available for people to have their voices heard at work and how much influence workers have over their job quality.

Subjective and objective aspects of job quality

It is important to recognise that within these areas, there are some aspects of job quality that are objective – that is to say, what is good for one person will be good for anyone – and some that are subjective, depending on the person's preferences, situation, or stage of life.

For example, no one would contest that more pay is better than less pay, but the effects of part-time work and irregular hours are far less clear as they are likely to vary with one's life stage. The same part-time job may be a poor offer for someone who is trying to feed a family or tie down a mortgage as a first-time buyer, yet ideal for a student who cannot commit full-time, or an older worker who has paid off their mortgage and seen their dependents leave home. Further, there are some aspects of work – such as finding work meaningful – that we would agree are good, but which will vary according to people's personalities or belief systems.

We thus need measures of job quality that accounts for both standards that are universal – or at least, consistent within a national context – and relative assessments that are essentially a question of person-job match.

Can we create a single measurement of job quality?

From its review of existing survey measures, the CIPD has collated a survey that measures the seven areas above. Each area is sufficiently tight that we can meaningfully combine measures to compute seven sub-indices, so that, for example, we need not always look at half a dozen metrics simultaneously to assess the terms of an individual's employment. Can we go one step further and create a single

³Warhurst, C. et al (2017) *Understanding and measuring job quality*. London: CIPD. available at www.cipd.co.uk/jobquality

⁴Muñoz de Bustillo, R. et al (2011). *Measuring More than Money: the social economics of job quality*. Cheltenham: Edward Elgar.

⁵The report itself identified six areas, with factors 2 and 3 grouped as a single area, 'intrinsic characteristics of work.'

overarching index of job quality?

I would argue that this is unlikely to be helpful. A lesson to draw from the industry that has sprung up around measuring employee engagement concerns overly broad metrics. In one sense, employee engagement is intuitive and simple. William Kahn first defined it as a state in which employees are physically, cognitively, and emotionally involved in their work.⁶ It falls within the tradition of a mutual gains view of employment that seeks the good of the employee and of the organisation, in tandem.

But it does not necessarily follow that a straightforward, high level concept can be convincingly pinned down in a single metric, especially if – like employee engagement – the concept is multifarious. Having a job that plays to your strengths is not the same as feeling empowered to make decisions, or being motivated or committed, or understanding and aligning with organisational strategy, or social connection with colleagues. Yet in lumping together such attributes, employee engagement surveys have often led to hazy thinking – for example, that two-thirds of employees are ‘not actively engaged’, without it being clear what this really means.⁷ We should avoid throwing together disparate components into an indistinguishable potpourri-style mess; or as Sally Wright at the Institute of Employment Research has put it, a ‘mosh pit’ of metrics.

Two sensible options remain. One is to focus one’s definition more narrowly – for example, the Utrecht Work Engagement Scale focuses specifically on vigour, dedication and absorption, excluding other aspects of engagement. The other is to separately measure the different factors or sub-indices, giving coverage without conflation. This is the option we propose for job quality.

Mainstreaming job quality

Measuring job quality in a way that is sufficiently robust, concise and comprehensive is an important step in improving the world of work, albeit one that is not sufficient alone. We also need to analyse the relationships between job quality and factors that may be expected to either impinge on it (such as management techniques) or stem from it (such as job satisfaction, motivation, innovation and performance).

It is hard to imagine that gross domestic product and related factors, such as growth and productivity, will not remain standard measures of an economy. Yet, it is not contentious to state that, in themselves, they are inadequate gauges of a truly healthy economy. And even if we include more socially-oriented measures, such as the Gini coefficient of inequality, unemployment rates and real wage growth, we get a picture that is fuller, but still doesn’t do justice to the richness of working life.

What is realistic, therefore, is to envisage a situation in which measures of job quality become established as supplements to these core econometric measures. The need is there, as to fully understand the interrelationships between our economies and societies, we need metrics based on a broad conception of good quality work and employment. The raw figures of how many jobs there are and what financial value they produce are quite simply not enough.

The survey report, *UK Working Lives*, including the *CIPD Job Quality Index*, will be published in April 2018.

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⁶Kahn, W. (1990) Psychological Conditions of Personal Engagement and Disengagement at Work. *Academy of Management Journal*. Volume 33(4): 692-724.

⁷For a review of some of the problems in conceptualising and measuring employee engagement, see Briner, R. (2014) *What is employee engagement and does it matter? An evidence-based approach*. Available at www.cipd.co.uk/knowledge/fundamentals/relations/engagement/future-report

4. Leadership for change:

The links between management and good work

Petra Wilton, Chartered Management Institute

The role of management and leadership in shaping 'good work' should be self-evident: the reason most people leave what they consider to be 'bad work' is because of a bad boss. Yet, this critical role of managers and leaders is all too often overlooked. In the UK particularly, we undervalue management and suffer from poor working environments, due to a nation of "accidental managers". In nearly every workplace there are individuals who have excelled at their roles and been rewarded with a promotion into a management position. However, with 71% of organisations admitting that they fail to provide any management training or development for these individuals, these accidental managers often flounder, struggling to motivate, engage and develop their teams.

Indeed, research by the CMI identifies that 4 out of 5 bosses in Britain are accidental managers, which means 2.4m managers are probably not delivering to their full potential, with a clear knock-on effect on the teams they are managing. As a result, 43% of managers are rated by their teams as either ineffective or highly ineffective.

This systemic under investment in management is also the key reason for the UK's productivity lagging 18 per cent lower than the rest of the G7. A recent Investors in People report suggests £84bn is wasted in the UK each year due to poor people management, while researchers at the LSE concluded that the differences in management practices account for 30% of the divergence in productivity scores between countries.

Evidence of the growing support for more management training can also be found at the Organisation for Economic Co-operation and Development, which lists improvements in management and leadership as the number one factor in tackling the UK's productivity gap. At the Bank of England, Andy Haldane, the chief economist, has said that there would be "potentially high returns to policies which improve the quality of management within companies".

Three things businesses can be doing to enable "good work"

Restoring trust

Trust matters, yet in many parts of the business world it's in short supply. The Edelman Trust Barometer reported its biggest-ever drop in trust in government, business and the media in 2017.

Commenting on Davos in January 2018, Robert Phillips, a former CEO of Edelman, claims this focus on the crisis of trust shields the reality of a crisis of leadership. The truth is that nobody wants to talk about the crisis of leadership, especially the failing leaders themselves, and Phillips eloquently describes why: "locked in echo chambers and wrapped-up in their own machismo, with few notable exceptions, they lack fundamental self-awareness and honesty".

Leaders have to earn trust, whether from their customers or their employees. It is imperative that leaders take a hard look at their own behaviours and start to build (or rebuild) trust and engagement with the people in their business.

Trust has broken down throughout organisations and this has a corrosive effect across many outdated hierarchical cultures. Only 36% of middle managers fully trust their leaders. Middle managers are at the heart of an organisation, playing a pivotal part in engaging employees and turning strategy into action, yet just 31% feel the importance of their role in building trust is valued by their leaders.

Trust and growth go hand-in-hand. In rapidly growing organisations 68% of managers have high trust in their leaders, whereas in declining organisations that number plummets to just 15%. Reforming business cultures to rebuild trust is critical for creating good work for all.

Doing so means changing management cultures to be more flexible, to better blend work with home life, and to allow people to make better use of their abilities in their work. Too many organisations



remain trapped in hierarchical, bureaucratic and secretive cultures. Improving management communication is key. Senior leaders need to spend more time with middle managers and making themselves visible. 64% of middle managers say they are prevented from building trust in their own teams through a lack of information from the top of their business. In CMI's *"The Middle Manager Lifeline: Trust and Communication in the heart of your organisation"* (Sept 2016), the top five behaviours that managers and employees want to see from senior leaders are to:

- Share their thinking
- Admit their mistakes
- Encourage people to raise issues
- Be more inspirational – lead by example
- Act consistently with company values

Building inclusive teams

The evidence is increasingly clear. Workforce diversity creates good work: it improves financial performance, eliminates groupthink improving decision-making and leads increased employee engagement. Indeed, the latest McKinsey report "Delivering through diversity" (January 2018) found between 2011 and 2015, that the most gender diverse quarter of companies were 21 percent more likely than the least diverse to have above average financial performance. Globally, those companies with a low proportion of both female and ethnic minority executives were 29 percent more likely to financially underperform than their peers. Similarly, gender diverse leadership teams as measured by Credit Suisse deliver an 18% return on equity premium.

Yet despite the evidence women face a 'glass pyramid' in the workplace with a double effect of an increasing gender pay gap and lower levels of representation at senior management. It is clear that the talent pipeline is broken: there is a 'missing middle' of women who fail to progress from junior to senior roles. Future projections show the scale of the challenge: with the economy needing 1.9m new managers by 2024, 1.5m would need to be women in order to achieve gender balance.

The Government now needs to continue to engage employers to ensure that the new gender pay gap reporting requirements are fully adopted. The regulations will help to enforce greater transparency

but business needs to own changes, so setting voluntary targets and establishing sector-based initiatives provides a strong model for changing work culture and behaviour.

Senior leaders could do far more to encourage sponsorship to help talented women and under-represented groups access opportunities to succeed. Companies need role models for change, and should identify and make visible diverse leaders to encourage aspiration and demonstrate openness to change. To create better work, changing behaviours is critical. Four in five managers report that they have witnessed some form of discrimination at work. So managers need to encourage and support those who call out bad behaviour.

Increasing flexible working practices can also transform the workplace. Managers rate flexible working as one of the top five ways to help women progress and to create a diverse, more productive organisation. Technology has made flexible working much more straightforward and opened up whole new markets for some organisations, yet still too few businesses offer flexible working options. Only 9% of higher-quality jobs are currently advertised as flexible. Employers should make flexibility the norm, not the exception, and could do this by making flexible working the default when recruiting for roles, unless business needs make it impossible.

Investing in management training.

There are 2.4 million 'accidental' managers not delivering to full capability currently who need training and development support. Organisations with effective management and leadership development programmes have on average 23% better results and are 32% more productive. 83% of Chartered Managers say they are more productive as a consequence of their training and development, and CMI calculates their average added value to an organisation is £391,443.

The UK also needs 1.9m new managers by 2024. To achieve this, we need to ensure that school leavers and graduates are engaged by employers and taught leadership and management skills as early as possible in order to open up new routes into management and leadership careers. This will better prepare them for a working world they currently feel uninspired by and detached from, while equipping employers with a far more engaged and productive workforce.

Apprenticeships are also set to become a key pathway into the professions and good work, providing opportunities for school leavers and existing workers alike. No longer are apprenticeships restricted to the trades and lower-level programmes for new starters: the new trailblazer management apprenticeships including the Chartered Manager Degree Apprenticeship, are high-level, prestigious programmes covering all the areas essential to managing and leading effective teams and for the successful running of a business.

These programmes are already being used by employers for both school leavers and for those already in the workplace. Management apprenticeships give employers the ability to tap into a more diverse workforce and offer a new route to further develop existing internal talent and ensure those entering the workforce have the trickle-down impact of working for a good manager.

Creating 'good work' is a complex challenge demanding collaborative answers and action. Yet addressing this challenge will be impossible while many companies remain choked by outdated management cultures. Too many people – including middle managers – are disengaged from their work, lack trust in their leaders and go unheard when it comes to management decision-making. We clearly need to radically overhaul business cultures and work in ways that better blend with people's lives, give people more power to perform, and make both flexibility and continuous learning a reality on both sides of the employment relationship.

Petra Wilton is Director of Strategy at the Chartered Management Institute

5. The importance of work quality in recruitment and retention

Liz Banks, Recruitment & Employment Confederation

Jobs transform lives

Jobs have the power to transform lives. That's something everyone working in recruitment understands. Given a list of ten big personal decisions that people might reasonably have to consider during the course of a lifetime, the REC asked the British public to select the options they considered to be 'important'. 'What to do as a job' was the most popular, with more than three quarters (77 per cent) of respondents, beating 'when to start a family' (73 per cent), 'where to live' (64 per cent), 'whether to enter into marriage or a civil partnership' (57 per cent), 'who their friends are' (37 per cent) and 'which political party to support' (28 per cent).¹

The survey also revealed the factors that are most important when choosing a job. When selecting from a list of ten options, eight out of ten respondents cited the importance of 'doing something I enjoy' (80 per cent) which was only just behind 'salary and benefits' (81 per cent) and ahead of 'work/life balance' (68 per cent), and 'location' (62 per cent).

This is echoed at the global level: in a World Employment Forum (WEF) study of over 30,000 working-age adults a 'sense of purpose' ranked as one of the most important criteria when considering a job (second only to pay).²

Given that is the case, it does seem strange that the traditional method of advertising a vacancy with the hope of finding the perfect candidate for your organisation often relies on attracting people with a rather dry list of required skills, experiences and qualifications with usually a cursory mention of pay or salary bracket to entice applicants – and usually not very much about the kind of positive experience a candidate will have in the role should they be successful.

Practising good recruitment

The UK is now in a candidate driven market with low unemployment and an increasing number of sectors complaining about the scarcity of appropriate candidates. A reduced flow of workers from the EU post-Brexit threatens to make competition for staff even

more intense. In that scenario employers need to be aware that during the recruitment process candidates will be appraising them just as much as the other way around.

In *The candidate strikes back* (2015) we spoke to recruiters, hirers and candidates about their experience of the recruitment process in order to gather insights for employers about what they could do to improve their chances of impressing skilled people and securing them for their businesses.

Employers often fail to communicate the essence of a job clearly. As recruiters told us:

'You need a really clear job specification. An understanding of where you fit in the organisation as well, how your role links into the organisation. You would be surprised at how many companies aren't able to articulate that.'

'As a candidate the job description doesn't give you a great feel on what the job is actually like. That is the first sell to the candidate, so if they can't imagine doing it then they won't be as attracted to it.'

In addition to a job description, employers should think about additional information they could share to help candidates get a sense of the organisation's ethos and culture:

'One company had people's profiles who had done well and why they had done well and what support they had received and what did they want to do next. That was a useful level of granularity about the culture.'

Once people apply to work at your company, the way you treat them through the recruitment process is also a reflection of your employer brand and poor experiences will increase the chance of skilled candidates withdrawing from the process and/or declining an offer. In fact, the impact of a bad candidate experience can spread beyond the immediate realm of disgruntled candidates because it is human nature to talk about our experiences.

Candidates will tell people about your hiring process;



¹<https://www.rec.uk.com/news-and-policy/press-releases/what-you-do-as-a-job-is-the-most-important-decision-in-life-rec>

²World Economic Forum (WEF) Global Shapers Survey is based on feedback of more than 30,000 under-30s from over 180 countries.

- 35 per cent of people talked to family or friends about the organisation's job application process.
- 24 per cent talked to people in their professional network/work contacts about the organisation's job application process.

Candidates will shun your company after a bad experience;

- 14 per cent decided not to re-apply for a different job at an organisation because of a poor application experience.

Candidates will advocate before or against your business based on their experience;

- 10 per cent advised a friend or family member not to apply for a job at an organisation because of a poor application experience.

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Based on expert feedback from our members, the REC's advice to hirers who want to avoid damage to their reputation due to a substandard recruitment process is to:

- Be explicit about what candidates can expect as a job applicant and measure yourself against your stated expectations.
- Provide clear and considered job descriptions which set out tasks and describe a typical day in the job.
- Set out the culture of an organisation, describe the specific benefits and features.
- Be clear on timescales.
- Give candidates an opportunity to discuss and demonstrate their skills and capabilities.

- Show candidates the office environment to gauge the culture.

- Provide training in interviewing skills for hiring and line managers.

- Provide clear, specific and personalised feedback for successful and unsuccessful candidates.

- Ensure line managers contact successful candidates before their start date.

Temporary work is 'good work' too

'Very few jobs are intrinsically bad. What is a bad job to one person could be a good job to another; the key is to try to match hours and duties to a person's circumstances.'

Shaun Rafferty, Joseph Rowntree Foundation in *Getting on* (REC, 2015).

It's important not to focus this conversation solely on permanent employment. Because as well as helping almost 1 million people find a new permanent job, on any given day in 2016/17 recruiters had 1.3 million agency workers on their payroll as well. Debate about flexibility and choice versus insecurity and lack of choice when it comes to non-traditional ways of working continues, but there's no denying the fact that part-time and temporary work (and self-employment) is a significant part of the UK labour market, accounting for 41 per cent of the 32 million people in work. In fact, one in three (36 per cent) of British adults have worked as a temporary agency worker, contractor or freelancer at some point in their lives (REC *Flex Appeal*, 2014).

In our report *Flex appeal*, we asked agency workers, contractors and freelancers about their motivations for working in that way. People explained that temporary work provided opportunities to both avoid negative situations (e.g. unemployment, a permanent job in a workplace they don't like, inflexible hours) and to achieve outcomes they did want (e.g. greater income, acquisition of new skills, fitting work around other priorities in their non-working life).

As for future prospects, our survey found that 22 per cent of people currently earning more than £50,000 had been agency workers at some point during their careers. Workers weigh the relative insecurity of not being a permanent employee with one company against the perceived rewards from temporary work of flexibility, higher pay, more choice of role and reduced stress. None of the temporary workers we interviewed for *Flex appeal* (from the office professional, driving, nursing and IT sectors) suggested that temporary work had jeopardised their career or pay progression. An

interesting notion was the idea that some workers felt a sense of 'employment security' in place of 'job security' that would come with a permanent contract with one employer. In other words, workers had confidence that a recruitment agency could offer them another contract when one temporary assignment ended.

So, if the type of contract itself is not a definite indicator of 'good work', what is it that makes a temporary role 'good'? Strangely enough the qualities that make permanent employment attractive to people are the same things that make those on temporary assignments feel engaged and satisfied with their work. In our report *Getting on* (2015) comparisons between two focus groups of agency workers in low-paid, low-skill roles in two different industrial workplaces showed that working conditions and workplace culture are important factors in promoting workforce satisfaction and can play a key role in boosting the drive and motivation of staff to progress and perform well in their jobs. The warehouse workers we spoke to liked the camaraderie in their place of work and the opportunities they have to learn from each other. The more established workers particularly appreciated being asked to use their knowledge and experience to help new starters in the job, and the majority of people we spoke to were able to cite examples of when they had received praise from the management for their efforts. Workers in an environment which did not offer the same culture and opportunities were less satisfied. It is important for agency workers to feel valued in the workplace and there was a clear sense that being asked back for repeat assignments adds to their own personal feelings of self-worth and purpose in their jobs.

"Because I've been working here for over a year, I often get asked to teach new people how to do things. That can be a nice feeling – to be trusted to help someone."

Milda, Warehouse Worker

"It's also nice to keep getting asked back to work here week after week. It shows you're appreciated. It shows your job counts."

Alina, Warehouse Worker

Of course not all temporary agency work is either low-skilled or low-paid: agency nurses, locum doctors, supply teachers, IT consultants and engineers are professionally qualified and can be supplied via agencies on contracts for services and fall into the category 'temporary agency worker'. But even non-graduate jobs in food production, warehouses, hospitality and social care are still able to offer people on temporary assignments the chance to

experience different tasks or working environments ensuring that workers get the stimulation and challenge that comes with variety and breadth of experience. It would be disingenuous, however, not to acknowledge that the nature of some low-skilled work can be monotonous, particularly in the retail or industrial sectors, where workers may find themselves operating the same machinery every day or standing for long periods in isolation with no customers. To encourage workers in these positions, it is imperative that they are made to feel valued by employers showing appreciation for their efforts. The recruiters who supply them, as well as the employer, have a responsibility to contribute to workers' sense of wellbeing.

"I don't have to do it, but I regularly go in to the warehouse to undertake the same work as our temps do. I don't tell them I'm going in, and many think I'm just a new guy in the warehouse, but I want to get a feel for what it's really like for them. I want to know where I am placing my workers and what work they're being asked to do."

"I'm also on site every week in an official capacity to make sure that the workers see me. This is important because some of our workers are not confident enough in English to pick up the phone to call the office, and sometimes it's also impractical to expect them to travel into the centre of town to come into the office. We have a policy with companies that employ 10–50 of our temps to allow one of our consultants to go in to the company once a week to hold "temp surgeries" – this way we can ensure that our workers know they have a chance to come and see us with any issues they may have."

Neil Cook, Encore Personnel Services, Leicester

The future of good work

The UK jobs market is a success story. We have record employment and one of the lowest unemployment rates amongst developed economies. But if our aspiration is to create a jobs market that works for all, we need to facilitate progression opportunities and continued improvements in terms of inclusion for groups who are currently under-represented. During 2017 we brought together experts from the private and public sectors, from employers and academia to discuss what the future of jobs looks like in the UK.

In our final report from our *Future of jobs* commission we identified that from the perspective of individuals, a future UK jobs market needs to be one where people:

- have opportunities to get into work and subsequently progress within work;

- can succeed through work irrespective of their background;
- have genuine choice in terms of ways of working and contractual arrangements;
- are aware of their rights and have confidence that regulations are being effectively enforced;
- have a voice and feel fulfilled, respected, and recognised.

The OECD has devised a Job Quality Framework which focuses on three key areas: earnings quality, labour market security, and quality of the working environment. But at the REC we feel that people's happiness and sense of fulfilment at work – so important for whether people judge their work as 'good' – has to be part of how we measure the success of a future UK jobs market.

The REC's five key indicators of a successful jobs market:

- Employment levels and job-creation
- Social mobility
- Diversity and inclusion
- Individual fulfilment
- UK productivity

The focus simply has to be on the quality as well as the quantity of jobs available, and on ensuring that no one is left behind. A bright future for the UK jobs market is one where good work is the norm.

Liz Banks is Director of Communications & Research at the Recruitment & Employment Confederation

See also Tune into temps: How employers and recruiters can support agency worker voice in the workplace (2017), IPA

6. Meaningful work: the missing ingredient in the job quality debate

Professor Katie Bailey, Kings College London

Since the publication of the Taylor Review in 2017, we have been hearing a great deal about the importance of job quality. No-one could quibble with the introductory remark in the Review that ‘all work in the UK economy should be fair and decent with realistic scope for development and fulfilment’. Yet unfortunately this remains for many an aspiration rather than the reality. Alongside the positive features of the UK’s labour market, such as growing levels of employment, there remain important weaknesses including a decline in wages in real terms, stagnating productivity, declining levels of worker autonomy, and a growing skills mismatch, leading to over-qualification and lack of skills use.

All these are important issues, and need to be addressed as we move towards one of the country’s biggest political, economic and social upheavals of recent times; Britain’s exit from the European Union. But among all the concern for job quality and the state of the UK labour market, one topic has been consistently overlooked, and that is the need for work not just to be of high quality, but also for it to be meaningful. Indices of job quality typically include factors such as pay, skill requirements, development opportunities, job security, voice and working conditions, but they generally fail to ask whether the actual work that is carried out is meaningful to the worker concerned.

This may not seem that important alongside some of the other pressing issues. However, research evidence has shown that meaningful work underpins a host of important outcomes both for the individual worker (such as improved wellbeing, lower levels of stress and depression), and also for the employer (including higher levels of engagement, commitment and performance). Recognition of the importance of meaningful work can be traced back in the modern era to thinkers such as Kant and Frankl, who argued that people’s innate thirst for meaning drives them to seek out

their purpose in life even in the bleakest of circumstances. Recent research¹ has shown that meaningfulness is important not just to older workers, but that Millennials and Baby Boomers alike share two long-term career goals: to make a positive impact on their organisation, and to help solve social or environmental challenges. Almost half of workers are willing to take a 15% pay cut to work for an organisation with an inspiring purpose that infuses their work with a sense of meaning.



Is meaningfulness a condition inherent in certain types of work, or can it be found anywhere? The Research I did with my colleague Dr Adrian Madden of the University of Greenwich² strongly suggests the latter. We talked to people employed in a very wide range of jobs including street sweepers, priests, stone masons, shop assistants, solicitors, artists, academics, nurses, soldiers and entrepreneurs and asked them about their work.

What surprised us was that almost everyone talked at length, and with some emotion, about aspects of their work that they found personally meaningful and how much this mattered to them. What also surprised us, although perhaps in hindsight it shouldn’t have, was that almost no-one had previously given any thought at all as to whether their work did have meaning for them, until we asked. Despite this, people ‘got’ the notion of meaningfulness straight away, and could give countless insightful stories from their own experience. For example, one of the street sweepers we spoke to said he drew a sense of meaningfulness from his work by knowing that the recycling work he did contributed to a cleaner environment, and this would benefit his granddaughter’s generation. One of the shop assistants talked about how helping

¹Discussed in ‘What Do Millennials Really Want at Work? The Same Things the Rest of Us Do’, Bruce Pfau – Harvard Business Review 2016. <https://hbr.org/2016/04/what-do-millennials-really-want-at-work>

²‘What Makes Work Meaningful — Or Meaningless’, Catherine Bailey and Adrian Madden – MIT Sloan Management Review 2016.

elderly customers and chatting to them gave their work a sense of purpose. The solicitors explained how they used their professional expertise to help vulnerable customers at a difficult time in their lives.

A lack of meaning or purpose can be very damaging. I often run workshops for organisations or talk at conferences on meaningfulness, and I have lost count of the number of times people have come up to me and said that a major reason they had quit a previous job was because of a lack of meaning. One delegate at a recent event explained that her partner was only staying in his current well-paid job because of the salary, but that he felt uncomfortable and demotivated going into work every day because he just could not find anything meaningful in what he did.

Where does a sense of meaningfulness come from? We looked in detail at the stories that were told to us about meaningfulness by 135 different people, and this has shed some light on what makes work either meaningful or meaningless. The foundation for meaningfulness is that people believe they have worked hard and to the best of their ability. Work that people have not put any effort into, is generally not associated with meaningfulness. However, this alone is insufficient for work to be meaningful; in addition, one or more other features has to be in place. The first is that the person feels they have contributed to something important that is external to themselves, for instance, something that makes a lasting improvement to the environment, that improves people's health or wellbeing, alleviates their suffering, or leaves a lasting legacy. Stone masons, for instance, talked to us about their role in restoring a beautiful ancient cathedral. It does not matter if others disagree, what is important is the individual's assessment of their own contribution.

The second is that people find meaningfulness when they overcome difficulties or challenges, or handle problematic situations well. Nurses talked movingly of the meaningfulness they found in end-of-life care, for example. Such situations can be described as poignant, filled with mixed emotions.

The third is that meaningfulness arises out of a sense of camaraderie, of having achieved something as a team. This sense of connection with others can be an

important component of meaningfulness for many.

It is important to recognize that meaningfulness is not a steady state; we do not go into work at 9am and leave at 5pm having consistently found our work meaningful during all of that time. It would probably be exhausting if we did! Instead, meaningfulness arises episodically, most often in retrospect, when a particular feature of our work, or a 'critical incident' casts a meaningful glow over the entirety of our job. Take the academics; they often spoke despairingly of the volume of routine administrative work they had to complete, but then became transformed when they talked about the achievements of individual students who they had helped through difficult times. This doesn't mean that a job that is completely devoid of meaning in all other respects can be re-purposed as meaningful simply on the basis of one characteristic, but rather that where people can discern an authentic sense of meaningfulness in some core aspect of their daily work, this can provide them with the impetus to cope with the less desirable tasks that just about any job entails.

Finally, what marks out meaningfulness as different from almost all other work-related attitudes is that it is deeply personal. I have done a very large number of interviews in organisations of all types over a long research career asking people how they feel about different aspects of their work, but meaningfulness is the only topic I have studied where people will spontaneously talk about their childhood, their family or their friends in relation to their work. So, for example, one young entrepreneur told us how she was inspired to set up her bakery business to make her grandfather, who was also a baker, proud of her. One of the soldiers told us about her retirement dinner where the fact that friends and family were there to hear the stories and tributes from colleagues made her service feel more meaningful to her.

To a greater or lesser degree, we all tend to compartmentalize; but, where meaningfulness is concerned, we make deep connections between our work and personal lives. It is in part for this reason that meaningfulness is very difficult to manage in the same way as, for example, engagement.

Meaningfulness cannot be mandated or manipulated without giving rise to 'existential labour'³ –

³ See 'The mismanaged soul: Existential labor and the erosion of meaningful work', Bailey et al. – Human Resource Management Review 2017.

pretending to find meaning, rather than authentically experiencing it. In other words, people do not respond well to being told why their work is meaningful, because this may not resonate with what matters to them at a personal level.

Given this, what can organisations do? What we found is that organisations can create an ecosystem which makes it easier for people to find their own meaning. They do this by creating an overarching meaningfulness architecture through a sense of organisational purpose or commitment to a transcendent cause. Within this framework, employees then need to see how their individual job and its component tasks fit with the broader organisational purpose. Accountancy firm KPMG's '10,000 stories'⁴ initiative is a very positive example of this. The company created a broad purpose statement around the concept 'We shape history' and delved into their archives to create a film showing KPMG's role in a series of important historic events. They built a series of posters illustrating themes such as 'We champion democracy', and encouraged people to share their own stories via digital posters. Their target was 10,000 stories from their 27,000 strong workforce, but in fact they received in total 42,000. In consequence, the company's employee survey scores around engagement and purpose shot to

record levels, and they rose 17 places on the Fortune list of 100 best companies to work for.

The final component of the ecosystem is to foster 'interactional meaningfulness', or positive, supportive and rewarding interpersonal relationships among staff and between staff and wider stakeholders. Such positive relationships can provide both a nurturing and an inspiring network that enables employees to see first-hand the beneficial outcomes of their work, akin to Adam Grant's ideas on pro-social motivation, and to feel a sense of belonging, both of which are foundational to a sense of meaningfulness.

As the Taylor Review has shown, there is much that needs to be done to raise job quality in the UK. We need to ensure all jobs meet certain objective criteria⁵ in terms of fair pay, skills use, development opportunities, voice and decent working conditions. However, alongside this, we also need to ensure that we are creating work settings that enable people to experience their work as personally meaningful, purposeful and significant. It is this sense of meaningfulness that provides the spark that inspires people to invest themselves in their work and that provides a deep sense of fulfilment and achievement.

Katie Bailey is Professor of Work and Employment at King's College London

⁴'How an Accounting Firm Convinced Its Employees They Could Change the World', Bruce Pfau – Harvard Business Review 2015. <https://hbr.org/2015/10/how-an-accounting-firm-convinced-its-employees-they-could-change-the-world>

⁵See 'Meaningful Work and Workplace Democracy: A Philosophy of Work and a Politics of Meaningfulness', R. Yeoman 2014.

7. Making fair and inclusive workplaces everyone's business

Neil Carberry, CBI

The position of business is one that rightly attracts more scrutiny than it did a few decades ago. Like politicians, the Church and many of our other great public institutions, businesses can no longer rely on a tacit acceptance of their value to the health, wealth and social progress of the UK. Yet firms remain critical to all of these – and the challenge of communicating the role of businesses in our society and economy is one that the leaders of companies – and of representative bodies like the CBI – have grappled with for many years.

Greater openness is clearly a part of the answer. Transparency is to be welcomed. But firms will need to explain what they do, not just be open about it. The stories we tell matter to how people feel about a company and business in general, so long as behaviour matches up to those stories. Yet negative coverage about individual businesses can often contribute to a sense of fear.

Too often, not reaching out makes things worse, not better. Nor is it the case that businesses need to be defensive. Yet many so often are. There is a sense in too many businesses that trying something new – seeking outside help on promoting diversity, for instance, or new initiatives in how work is designed and jobs are done – carries more risk than reward. Often, the very outcomes that campaigners want to see are held up by corporate fear of what will happen if they “open the box” on substantial changes, because of perceptions that there is little trust in firms’ good intentions.

Last year, the CBI worked with Porter Novelli to set this out by establishing a baseline measure of where firms stand – both to address the question of the scale of the risks to businesses from a low trust environment and to look at what might shift the dial. There was good news but also some more challenging feedback in that work. Perhaps most surprisingly, people’s views of the reputation of British businesses was better than firms had feared, with 58% saying that UK firms had a good or very good reputation, compared with fewer than 10% saying the opposite.

But dig a little deeper, and the origins of concern become clear. 77% of respondents saw CEOs as far removed from the concerns of ordinary people – meaning that sometimes, when business leaders do try to explain things, we can make things worse! There are simple ways to address this, of course. Ditching the management

jargon always makes a difference. But in the longer term, our survey showed that it is the familiarity people feel CEOs lack which breeds trust in companies. As customers, people valued that personal touch, good value and being treated as an individual more than anything else.

And the most familiar people of all with any business? Its employees, of course! Here, again, there was some positive news that reflected various CBI Employment Trends Surveys over the years. 64% of employees feel they have a good relationship with their employer. As ambassadors for the company delivering the service people want, and as citizens themselves – that is a good base from which to work.

But it is not yet good enough. The position of British business in our society depends on people understanding the value companies bring, seeing firms challenge poor standards and boosting productivity. That means that getting our people strategy right matters hugely. It must be a key part of the wider industrial strategy, launched recently by Greg Clark.

There is clearly room to up our game. The certainties of the Human Resources Management approach that dominated practice for two decades need to be challenged, with greater space found for meaningful employee voice, however employees choose to represent themselves or be represented.

Improving employee experiences at work

Looking at various editions of the Workplace Employment Relations Survey, it’s clear that the UK has a long way to go on this in terms of the lived experience of employees every day. Yet we know that innovation is a bottom-up process – so harnessing the efforts of engaged employees who feel they have control over their work, and redesigning processes to enable this is an essential step.

Finding ways to better develop and support line management is key to this change happening, as they are the main actors. Supporting managers to make the best decisions for the long-term is essential. A particular challenge noted by many CBI members in relation to this is the widespread view that people issues are complex and dominated by the rights framework set out in law.



That this is a minefield where wary line managers fear to tread. Such limiting beliefs can be strong, and go hand in hand with the idea that what is done now is broadly working – so why take the risk of change?

There are huge challenges with this. No change programme on engagement, productivity and innovation will ever truly be embedded unless it feels the right thing to do for managers in the front line. And that means it must make commercial as well as moral sense. The work of David MacLeod and Nita Clarke on this is well known¹ – at the CBI, our view is the commercial case is made. This explains our robust support for the people focus that came from the Productivity Leadership Group and is now being taken forward by the Be the Business campaign.

But the case for action has not percolated to the frontline as effectively as we would all like – a sign that the handbrake of organisational culture has not been taken off in many firms. This is often seen in the view that HR should lead on engagement – as the specialists, and those who understand the complexity. But if we are to make progress, that view must change – HR will always be the centre of excellence on practice, and a source of support – but they should never be an outsourced provider of management, absolving managers from using the single greatest set of tools they have to boost engagement. This still happens too often in many businesses.

The challenge for the future

For business leaders thinking about how change can happen effectively, the signals and incentives that are sent become all-important in influencing how managers and the wider workforce see the firm and their role in it. It is time for a new long-termism, with the approach the organisation takes to managing, developing and engaging its people a genuine Boardroom priority. We need to match rhetoric about “our greatest asset” with focus and action.

For some firms, this level of focus is a challenge – especially as they face a more disrupted market than ever before. The Taylor Review has emphasised how fast the world of work is changing to reflect this, and our approach to managing must change with it.

But the debate about what the right solutions are should change with the world of work. Enhanced voice and decentralisation may sit uneasily for some – but they are the strategies that will deliver the trust, engagement and customer satisfaction that will be essential to success in the mid-21st Century, and ongoing trust in society for businesses.

CBI members are already seeing a changed agenda in how employees judge companies and what they expect from them. Understanding the purpose of a company, and its commitment to making a contribution to the world it operates in matters more than ever. But there are also changed employee expectations – or, if not changed, ones which people are clearer about and more demanding of.

The enlightened company can use this as a differentiator in the labour market and an engagement tool in the workplace. Those who don’t address it are likely to steadily fall behind. Studies show, for instance, that the quality of training and support provided to staff around a technology change is a key driver of the returns it generates. In a fast-moving technology environment, better engagement may be about survival, not just reputation.

At the same time, others too must look afresh at the world of work. Too much of the debate around Matthew Taylor’s review saw new problems answered by old solutions. As businesses will have to step up in the interests of sustainability and reputation – so too will others. Practice matters as much as any change to the legal base. Unions and others will need to turn their attention to this, as the field where their members’ interests can be best served.

Nothing emphasises this so much as the “gig” economy – where workers exist alongside each other, some happily through flexibility that works for them, others feeling unable to access the work they really want. The answer to this is to focus on opportunity and practice – not to ban different forms of work and restrict choice for others. Again, an area where better engagement and management will improve public understanding and trust that companies and the labour market is delivering what people want.

If business wants to continue to play its role in this – creating the wealth that supports families in terms of wages and pensions, and paying the taxes that fund our schools and hospitals – new approaches are necessary to build trust and understanding. A more open, less jargon-heavy business community will need a focus on employee engagement to really perform – and the tools of the past two decades are unlikely to make the grade. The challenge now is to step up – and find partners who are willing to work with us on this journey towards a more open, diverse and productive workplace.

Neil Carberry is Managing Director of People & Infrastructure at the Confederation of British Industry

¹See ‘Engaging for Success: enhancing performance through employee engagement’ – David MacLeod and Nita Clarke 2009.

8. Can low paid care work ever be “good work”?

Christina McAnea, UNISON

UNISON's 1.2 million members are all public servants, mostly women and include a huge number of low-paid workers. Low-paid women in schools, social care and health make up a large, important and growing proportion of our membership.

They are likely to become an even bigger proportion in the years ahead, especially in the occupational groups covering home and domiciliary care, school support staff (including teaching assistants and school meals workers), early years workers and health (including healthcare assistants, cleaning and catering staff).

While there are many similarities across these sectors - low pay, lack of status and jobs that are seen as “women's work” - there are also significant differences.

Looking at our recent surveys of these members, many report relatively high levels of job satisfaction and would recommend their job to others. Yet at the same time there are also high numbers reporting their intention to leave their job.

Of course, the causes for these differing intentions are different.

Across all NHS staff (UNISON survey) 60% say morale is low or very low, and 88% have considered leaving the health service in the previous 12 months. The main factors cited were:

- Feeling undervalued due to low pay - 78%
- Stress at work - 73%
- Increased workload - 72%.

In another UNISON survey of nurses, 51% were dissatisfied with their job and had considered leaving. The most cited reasons were:

- Increased workload - 72.8%
- Stress at work - 72.4%
- Unsafe staffing levels - 67.6%.

Turnover rates among nursing staff are difficult to access due to differences in the way data is recorded, but analysis suggests an average of 16% but with high variations between trusts (from 9% to 43%).

Our school support staff surveys show around 50% have considered leaving, with the key factors low

pay (51.5%), stress (49%) and workload (37%).

However as many as 64% enjoy their jobs.

Similar figures are available for early years staff, but perhaps with a greater emphasis on the lack of recognition for their skills and professionalism.

These figures suggest that while pay is obviously important - particularly for low-paid groups - it ranks alongside other considerations like stress and workload.

However, the data on social care suggests that for the 1.5m workers providing ‘frontline’ adult care across the UK, the situation is quite different.

A number of independent surveys, from organisations like the Joseph Rowntree Foundation and Skills for Care, confirm union research that low pay – even unlawful pay – is endemic in this sector.

The most recent survey by UNISON found that for staff engaged in care work, 91% in London and 71% outside London were paid below the real living wage.

Many low-paid workers across the sectors referred to here report concern over workloads and stress, but also around a lack of recognition or respect for their role. Many do jobs often seen as ‘women's work’ like caring for people, cooking and cleaning.

A common factor across many of these groups is that, quite simply, they like their job. Many staff who work in the NHS, schools, early years or social care enjoy doing something that's of value to their community and to patients, young people or the service users they look after.

While pay is low or relatively low for all these groups in social care it's not just headline pay that is an issue, but also the system. Many staff are working for actual pay that is well below the legal minimum and in appalling conditions – forced to cope with a lack of training, isolated workplaces, unrealistic workloads and often the bare minimum annual leave and sick pay.

But while many report considering leaving their



roles - in some sectors actual turnover is not particularly high. So why the differences ?

Is there a tipping point when enjoyment, even pride in your job can no longer compensate for abysmally low pay and ongoing exploitation?

The following results from a UNISON survey of care workers clearly demonstrate the pressures facing staff.

- 74% of homecare workers felt they did not have enough time to provide dignified care for the elderly and disabled people they visited
- 58% had been asked to provide personal care in 15 minutes
- 61% said they had not had enough time to provide a dignified level of personal care to a service users who were over 90 years old
- 57% of respondents had been asked to provide personal care in 15 minutes or less with an elderly person they have never met before.
- 85% said they regularly did not even have time for a conversation during some homecare visits
- 32% said they had no time to address people's personal hygiene needs such as washing
- 24% had no time to take people to the toilet
- 49% said a quarter of an hour wasn't long enough to prepare a nutritional meal
- 49% said short visits meant there was no time to assess any change in the person's health.

Clearly not a good example of 'good work' with the obvious knock on effect on recruitment and retention.

Skills for Care found the turnover rate among local authority directly employed care workers (who are on average better paid, with more job security and better terms and conditions) was 13%. Across the 'independent' sector it was 29%, but among solely care workers it was 34%. There is also a wealth of anecdotal evidence from care providers that retention can be drastically affected by the opening of supermarkets or other retail outlets.

The Joseph Rowntree Foundation found that almost two out of every three care workers in 2010 had left by 2015.

Clearly tackling low pay in the social care sector including non-compliance with minimum wage legislation is essential. But transforming the care sector into a beacon of 'good work' needs other fundamental changes.

UNISON has produced an ethical care charter for homecare (and residential care). The charter is a set of commitments that commissioners can make which fix minimum standards, protecting both the dignity and quality of life for service users and the workers who care for them.

The over-riding objective behind the charter is to establish a minimum baseline for the safety, quality and dignity of care by ensuring employment conditions that do not routinely short change clients and the recruitment and retention of a more stable workforce through more sustainable pay, conditions and training levels. Given that councils are the main purchaser of care services across the UK, it is clear the state has the ability to set standards in large parts of this sector and can at least set minimum standards.

The implementation of a charter for care workers across the UK would also improve retention rates, which would be good for care users and care employers alike.

An analysis undertaken by Southwark Council after UNISON's ethical care charter was adopted there highlighted improvements in retention.

Islington Council, which has also adopted the charter, has also had similarly positive feedback. As well as witnessing improvements in the morale of homecare workers, providers commissioned by the council have also reported significant improvements in staff retention rates.

One of the private providers commissioned by Islington council pointed to notable improvements in staff well-being as a result of higher wages. Prior to introducing the London Living Wage turnover amongst its staff averaged over 10%, but now it is less than 3%. The policy director of the provider stated that "retention and recruitment – serious struggles in social care – improved dramatically. Care workers became more motivated and so became more reliable, supportive, happier and healthier – all of which directly benefits service users...stable, reliable, high quality care services deliver improved outcomes for individuals and save the health and care system money."

A near constant need to recruit and train new care workers across the sector due to the high levels of staff turnover is a source of huge expenditure for care employers – so retention benefits both employers and the employed, the care worker and the cared for.

Some forecasters suggest that the care workforce could double in the next decade. It's also an area that's less likely to be affected by the advent of increased autonomy. It will be some time before robots can wash and dress someone with severe physical disabilities, or help an adult with learning disabilities understand how to shop and look after themselves, or give companionship to lonely elderly people, while helping to treat their leg ulcers.

So what can be done to bring stability to the sector? Clearly a new funding model is essential, but so too is a workforce strategy that is based on improving skills, ensuring support networks for staff, realistic workloads and a fair pay and reward strategy.

A number of EU countries, have developed new roles with minimum training and qualification standards as a way of attracting and retaining staff.

In the UK we have no minimum requirements. New recruits can be employed and given a short training/induction session – sometimes a thirty minute video - and then sent out with a caseload to deliver often intimate care for some of the most vulnerable people in our society.

Transforming social care into a sector that is delivering opportunities for 'good work' will take time, and quite probably government intervention, (assume a new funding model is a given!), but we start with a workforce that includes large numbers who not only like their job but in many cases are passionate about it. That's surely a good place to begin to build a new employment model for this essential service.

Christina McAnea is Assistant General Secretary at UNISON

9. Everyday good work

Sir Brendan Barber, Acas

Speaking nearly a hundred and fifty years ago, the art critic and social commentator John Ruskin said that “in order that people may be happy in their work, these three things are needed. They must be fit for it. They must not do too much of it. They must have a sense of success in it.” If writing today, he might have added that “they must not have too little of it” or “too much anxiety about how secure it is”.

It’s remarkable given the span of time that the broad concepts of purpose and fairness remain today. But many features of the workplace and our experiences of work have changed markedly, generating new demands. Rapidly developing technologies, changes to workforce demographics, globalisation and uncertainty around what Brexit may entail; all are part of the shifting social, political and economic environment of work and our working lives.

The institutional framework of work has also changed. We have seen an increasing fragmentation of the workplace and the working relationship, due in part to a growth in outsourcing, an increase in ‘atypical’ working arrangements, and the receding of the notion of a ‘job for life’. This has challenged the traditional model of the employment relationship, as has the decline in trade union membership and collective bargaining coverage and the emergence of a ‘representation gap’ at work. In tandem we have seen a growth in individual employment rights and a new emphasis on entitlement, compliance and best practice.

Amid all these winds of change, pressing questions around low productivity, low wage growth, skills supply and utilisation are currently raising further questions around how to build a genuinely inclusive economy. So the debate stimulated by Matthew Taylor’s Review around what we mean by ‘good work’, how to define, encourage and support it, could hardly be more timely.

Good work as a day-to-day experience – sketching the fundamentals

‘Good work’ is, of course, a broad concept, and the elements that come together to make work good are correspondingly many and varied. Taylor rightly identifies some high level policy levers ranging from labour market regulation, employment law, tax, and

the education and skills system. But the quality of our day-to-day working environments and relationships are equally significant. Taylor appropriately notes the challenge of defining good work in a way that remains relevant for different individuals and different life stages, as well as different

types of organisation and sectors. But are there certain fundamentals that apply across the board?

Acas’ insights on work, built up across 40 years or so, can provide a good starting point in developing a vision of everyday good work. The following areas in particular are recurring themes which resonate across Acas’ experience as well as many of the existing frameworks that seek to set out the key components of ‘good work’.

Rights, responsibilities and resolution

Clarity about rights and responsibilities brings a sense of certainty and mutual understanding that’s essential for any positive working relationship. The fundamentals here include a clear understanding of employment status and of the law on issues like pay, holidays and time off. Having clear workplace policies provides a framework not just for legal compliance but for stable and sustainable working relations – fair and consistent use of policies can impact positively on motivation, commitment, morale and wellbeing.

We also need trusted and reliable routes for addressing concerns. Transparent formal procedures help, but so does an everyday environment where people feel comfortable to raise concerns without fear of reprisal, and where there’s a range of appropriate options available to help resolve problems.

Good work doesn’t mean an absence of disagreements. In fact, keeping an open mind about why and how disagreements occur, respecting different viewpoints, and managing conflict constructively, can be a powerful tool for fostering trust and opening up channels of communication and innovation.



Working hours and work-life balance

An appropriate working arrangement, with the right amount, duration and scheduling of work to suit both individual and business needs, helps everyone get the best out of work.

For most individuals and organisations, a secure contractual relationship that provides predictable and stable working hours will work best. Long or unsociable hours should be voluntary and not excessive. And where working patterns aren't fixed, fluctuations need to be managed so as not to cause unnecessary uncertainty or stress.

There's growing recognition of the need to balance work with other, often demanding, non-work priorities. Having scope, where possible, to adapt the hours and place of work can bring benefits in terms of engagement and a more diverse and stable workforce – provided those who work flexibly aren't under-valued, assumed to be lacking in ambition, or excluded from opportunities to develop and progress.

Atypical contractual arrangements, such as zero hour contracts, can work for some, but should only be used where there is a voluntary and well-informed individual choice together with a genuine business need. Mutual agreement must be at the heart of such arrangements to accommodate genuine two-way flexibility – they shouldn't be regarded as an opt-out for building good relations, supported by good management practices.

Trust, voice and influence

Trust is at the heart of good work. It grows where people feel treated with fairness and respect, are given an appropriate degree of autonomy and responsibility, and when they feel their views and efforts are valued.

Trust is underpinned by openness and honesty. This goes hand-in-hand with responsible corporate governance and upholding legal and ethical standards. It also requires an active and constructive engagement between all parties in the relationship – where workers have a voice, both individually and collectively, and are able to influence decision-making on issues that affect them. Where leaders and managers demonstrate integrity and emotional intelligence in seeking out, listening and responding to views, trust and voice reinforce one another – enhancing individuals' feelings of worth and

satisfaction while improving organisational performance and resilience.

Appropriate channels for voice will vary depending on purpose and context: from worker representation at board level, to discussions with trade unions for the purposes of collective bargaining, to other types of consultative bodies to focus expertise and ideas, as well as direct everyday dialogue with individuals and teams. Our ability to express ourselves and connect with our peers is also important, whether face-to-face or through social media.

Pay and reward

When it comes to pay, certain basic requirements must be met. This includes, of course, payment of the legal minimum wage for all work done, and being paid correctly and on time. Pay systems must also be transparent and non-discriminatory.

A sense of being paid a decent wage for work done is also important, although pay levels are more challenging to prescribe. What amounts to 'decent' can be contentious, and the relative importance of pay to a given individual will vary depending on their wider life circumstances. But ultimately, we all feel that pay should fairly reflect the value we bring and that it's determined in an even-handed way compared with others – including peers, senior colleagues and those doing similar jobs in other organisations.

The total reward package can be just as important. Good pension provision, fair bonuses and other 'fringe' benefits can often mark out a 'good job'. These benefit not only individuals but also help attract the right skills and talent to an organisation, in turn helping drive up productivity.

Safety, health and wellbeing

People's safety, health and wellbeing is a bedrock for all good work. Traditionally, focus here has been on physical wellbeing, and evidently this remains essential. But a good working environment must be equally attentive to mental wellbeing – and this means organisations challenging themselves around the stigma that's too often attached to mental ill-health.

Enabling managers and leaders to be skilled and confident in managing common health problems is important, as is knowing how to make reasonable adjustments and where to find appropriate advice. Sensitive attendance management and return-to-

work policies provide reassurance and help prevent unnecessary absence and presenteeism.

With most of our lives spent working, it's unsurprising that work itself can affect our health and wellbeing. Long or insecure working hours; lack of autonomy; a blurring between work and home life; bullying and other unwanted behaviours – all undoubtedly can lead to psychological and physical distress. Conversely, discretion over the way jobs are done, variety in tasks, some control over the pace of work, and opportunities to input views can all contribute to a more purposeful and engaged experience of work. Ultimately, where an organisation takes care to ensure that staff feel valued, supported and safe, everyone benefits.

Respect and opportunity

Good relationships are built on respect and it's no different at work. However, while fear of being accepted is something anyone can experience from time to time, for some it can be a more constant challenge.

Ethnic minorities, those who identify as LGBT, disabled people and women are still too often subjected to discrimination and harassment at work. Simply being themselves can be a barrier to fair treatment and opportunity. Working parents and carers, those with long-term health conditions and other groups can also be side-lined.

Good work entails an open, inclusive approach to recruitment and development, free from discrimination and unconscious bias, offering equal opportunities for learning and progression. Clear policies and training on equality and diversity are a good place to start. Visibility of role models can further empower others to bring their whole selves to work. And, whether statutorily or voluntarily, employers should examine the make-up of their workforce, looking into the finer details to ensure diversity and fair treatment exist at every level.

Where diversity is celebrated and people feel able to be themselves without fear of judgement, both individuals and business will flourish.

From good principles to good practice

These basic principles naturally require further elaboration, discussion and refinement, not least in terms of how they translate into our increasingly fluid labour structures and more fleeting and remote employment relationships. These include atypical contracts, supply chains, and the growing platform-based economy and other 'non-workplace' environments.

In the case of the latter, we've seen a series of tribunal cases and public inquiries around employment status and working conditions, and it's certainly essential that the law here is clear and enforced so that workers are not left vulnerable to unscrupulous new business models. At the same time, our ambition for good work – in these as in all working environments – must aim higher than only protection against 'bad' work.

This means we must continue to develop our understanding of what makes for a good everyday experience of work, to get under the skin of what works well and what might work better for different people, in different jobs and sectors, in traditional as well as newly emerging working environments.

While new and innovative solutions will no doubt be required, it is equally certain that a framework for good work should build on what we know are the fundamentals. These include investing in line managers and leaders who are skilled and confident in all six areas outlined above.

As the Government looks to move forward on the many specific challenges identified in the Taylor Review, and as it continues to develop its industrial strategy, a sustained policy focus on the quality as well the quantity of work should present an opportunity to embed these building blocks of good work across every sector of the economy.

Now is the time to aim high, towards a good everyday experience of work for everyone – no matter how 'fit' they are, how much they choose to 'do of it', or what 'success' they wish to get from it.

Sir Brendan Barber is Chair of the Advisory, Conciliation and Arbitration Service (Acas)

10. How valuing employees makes customers valued too

Niall Ryan-Jones, Harrods

One of Harrods' key people objectives is, *"to be as great a place to work as it is for our customers to shop"*.

I believe it is incumbent on us to take the responsibility and initiative to continually improve our working practices beyond what is expected of us statutorily and we believe this is an ethos that is shared by many employers in today's competitive and rapidly changing employment market. Hence, I have long accepted that organisations that look after employees see the positive impact this has on the customer. As Richard Branson says: *"If you take care of your employees, they will take care of your customers."*

However, "taking care of your employees", requires an understanding of what that actually means and requires, the actions that would add value for both employees and the organisation, and, is subject to constant change; whether that be demographic changes within the employee population, external forces outside of business control e.g. Brexit, management practices and much more to name but a few.

ERM **CRM** **Aligning the employee and customer experience**

The marketing discipline of customer relationship management (CRM) drives many well-known loyalty schemes, and has been pivotal to our business success. At Harrods we draw on the practices delivered through a CRM approach – such as voice of the customer, market segmentation, evolving communication practices, tailored offers and brand experiences and applied a similar methodology to Employee Relationship Management (ERM). Like your customers, your employees are going to make or break your bottom line through the strength of their relationship with the brand and the customers they serve, so investing in them or ERM is just as important as CRM.

The underlying lesson for me is knowing our employees as well as our customers. I strive to get a deeper understanding of our employees which will in turn allow us to engage with employees more effectively and ensure they are equipped and supported to deliver our customers' needs.

Some of the frameworks which underpin our thinking

The following simple frameworks guide our direction and efforts to foster a great work environment that is focused on exceeding our customer's expectations.

• **Employer Brand Framework**

The first, which is an employer brand framework, underpins our employer value proposition thus ensuring we are reviewing what our employees want and what our business needs so that we are confident we are providing a compelling offer. This is key to the attraction stage as well as the ongoing relationship with current employees. The framework comprises three elements:

Psychological – "a contract an employee is prepared to make with an employer on the basis of their perceptions of how they will fit in and flourish in our environment in the context of a mutually beneficial relationship..."

Functional – "the policies, processes, procedures, frameworks and systems that affect an employees' work experience or otherwise known as 'employee touch points' or 'how we do things around here'.

Economic – "how you value employees through primary benefits such as pay, holidays and secondary benefits such as discounts, commission and health care..."¹

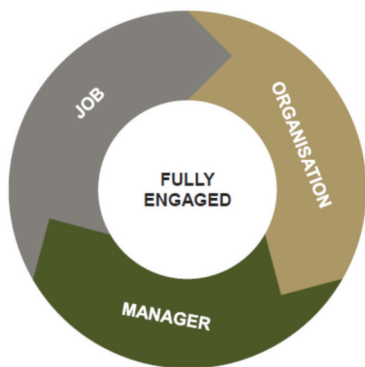
• **Engagement Model**

Secondly, our engagement framework articulates three key relationships that drive full engagement at Harrods and allows us to categorise the ownership of and activities that will influence the strength of these dimensions.

First, a deep affinity for the **organisation** you work for, often expressed by the strength of one's pride. Second, a mutually beneficial relationship where a



¹Employer Brand Framework: Brand Bakers 2014



manager demands the best of their team for the good of the organisation and in return demonstrates the value of their team members' contribution through unsolicited gratitude. Third, a **job** that offers fulfilment both

professional and personal. The outcome of which is an experience of challenge, invigoration, personal pride, satisfaction to name but a few.

At Harrods we have used this model to help managers easily understand the components of engagement and as well as focus on the areas of attention. It must be noted these dimensions are not mutually exclusive.

"If you take care of your employees, they will take care of your customers."

Richard Branson

How we are applying the frameworks

The rest of this chapter seeks to explain how we are answering employees' feedback, developing our employer value proposition (EVP) and ultimately ensuring these interventions are building towards creating alignment between the employee and customer experience.

Evidence from our 2016 employee survey and knowledge of how we need to develop our EVP have informed us our employees care about three things, which we have translated into global action plans;

- Understanding the future direction of our business – Strategic narrative
- Career development - Opportunities
- Performance enablement - Simplicity

The first global action, **strategic narrative**, gave Harrods the opportunity to share its new strategy "Redefining Luxury" to all employees to aid their understanding of how Harrods is evolving as a luxury brand and amplify that our key differentiator will be the unique experience we provide our customers.

Not only has this answered employee survey feedback, we have seized the opportunity to use the framework of our strategic narrative to enable our retail teams to create local narratives that allows them to articulate the future changes to our customers and thus allow them to have a shared experience of the strategy in action – our employees

are proud to share the exciting changes and our customers will be equally excited and intrigued by how this will bring our employees and customers closer.

"We want Harrods to be as great a place to work as it is for our customers to shop"

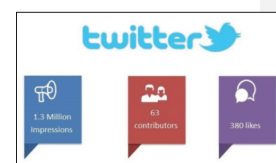
The second global action, **career development** has been an on-going challenge for a number of years. This is not a unique challenge for any organisation, but the context for Harrods is unique. We are a globally famous brand that operates from London which means our operation is local and are not made up of a multinational network of stores; which does significantly limit the number of opportunities available. However, as well as a well-established learning and development offering, we have dedicated **careers weeks** that are held twice a year to help our employees understand the career opportunities available to them and how to access opportunities. These weeks are focused on putting career ownership in the hands of employees and helps articulate the pathways that are available. These weeks are successful when the most talented take the initiative to capitalise on the opportunities that are available.

The internal numbers below are something we are very happy with.

Career Weeks	No. Events	of Available slots	Attendees	Conversion %	*Attendee Engagement	Satisfaction
Apr-17	86	2,118	1,571	74	735	90%
Oct-17	93	2,437	1,754	72	865	95%

*Number of individuals across business that attended at least one session.

Meanwhile, our internal activities are definitely having impact on our employer brand as shown through LinkedIn and Twitter.



Finally, Olaide Sanusi, a Chef De Partie, exemplifies what we mean by grasping the opportunities that presents themselves when she attended a careers session during our bi-annual careers week, hosted by Michelin starred Chef Tom Kitchen, and bagged herself a once in a lifetime experience. She asked for and got a week's work experience in one of his famous restaurants. Olaide says this;

"I am more confident, more conscious, more noticed and even becoming more Harrods -for me Harrods is being passionate, excellent, great, surprising and beautiful! Careers week is organised for us, to benefit us and to help us, we should all take advantage of it."

Ultimately, by focusing on providing rewarding careers for our best performers we hope to increase employees' intention to remain loyal to Harrods. To ground this in the context of good work, employees' intention to stay currently stands at 72% which we believe excellent for the London retail job market. Additionally, 90% understand how their job contributes to Harrods goals. 74% believe their job makes good use of their skills and abilities are being utilised, 79% of our employees say they are motivated to go beyond what is normally expected of them and 75% believe they have the freedom to use their judgement to get the job done.

The third global action, **performance enablement** requires us to simplify the journey to enable and empower employees to deliver the best experience to our customers whether or not their role is directly or indirectly involved with the customer. There are a number of things we are delivering to drive momentum in this area.

I referred to 'voice of the customer' earlier and likewise we have a focus on 'voice of the employee'. At Harrods we have been doing annual employee surveys for years in a bid to gauge employee engagement, happiness and overall wellbeing levels. However, following our initial employee survey some years ago, I became aware that rather than providing feedback continuously, employees were simply saving up their feedback for the annual survey. So we looked at strategies to establish a stronger, more open, continuous dialogue with our employees.

The first has been operation for 5 years, which is our employee council – an *Employee Led Forum*. The initiative was established with a body of nominated representatives from across the business. The forum, which meets quarterly, is committed to resolving issues and ensuring that employees feel that their voice is being heard.

This has now been complemented by a new approach to surveying employees – *pulse surveys*, whereby we will no longer be creating annual employee surveys, but instead we are adopting

voice of the customer practices of continuous listening to gain real time insight. The key learning for this is that in order to create a good working environment we need to have more real time opportunities for employees to provide feedback about the enablers and barriers to what makes working at Harrods good for them. This is again a mirror reflection of how frequently we measure customer feedback and the next stage of our insight journey is to map the voice of the employee with the voice of the customer to understand where there is and isn't alignment and harmony in both the employee and customer experience.

In conclusion

Since 2007 Harrods as a business has enjoyed significant growth and we believe, to the best of our knowledge, that we're the best performing luxury retailer in the world - which is phenomenal, but it doesn't happen by mistake.

The numbers speak for themselves; since we commenced our engagement strategy in 2008 we have invested over £50m in interventions focused on creating a good working environment for employees. This has resulted in a significant reduction in e.g. labour turnover -50% and Absenteeism of -25%, and the impact was evident on our customers as we started to engage and retain more customers which contributed to a tenfold increase in sales revenues as well as a dramatic increase in positive service reviews of +80% over the same period. The aforementioned being only the tip of the iceberg in data that supports a view that the employee experience has translated in to a positive impact on the customer experience.

I am equally delighted to say we have received external validations, many of which are based on the endorsements of our employees. I would like to think of these as good indicators of 'good work' at Harrods.



Niall Ryan-Jones is Head of Employee Experience at Harrods

11. The role of workforce representation and involvement in good work

Janet Williamson, Trades Union Congress

Good work must include effective ways for workers to be involved in decisions that affect them. Greater influence over how work is done increases job satisfaction and wellbeing for the workforce, and leads to gains in productivity too. If the only choice that a worker has over their working life is whether to stay in their job or to leave it, their experience of work will be frustrating at best; at worst, it will be dehumanising and degrading.

In the union movement, we hear too many accounts of workers being shouted at for not being able to change shifts at short notice or being threatened with the sack for asking for time off to look after a sick child. We know that over two thirds of children in poverty are in households where at least one parent is working¹, and that average real wages are still lower than they were before the financial crisis. Three million people are in insecure work and over half of those on zero hours contracts have had a shift cancelled at short notice². Almost one in three workers say they have been bullied at work; while only one in three say they receive regular opportunities for training³. In 2016, 144 people died in workplace accidents, and 30.4 million working days were lost due to work-related illness and non-fatal workplace injuries⁴.

Across these different elements of poor work – abuse, lack of control over working hours, inability to balance work and family life, low pay, insecurity, lack of opportunities and unsafe work practices – there is a cross-cutting theme: the role of workforce voice. Poor work is facilitated by a lack of workforce representation and voice; and boosting workforce representation and voice, including through trade unions, is key to changing it.

Workers' voice and involvement in decision-making is currently a serious weakness of the UK economy. The

WERS Survey 2011 found that less than half (47%) of employees thought that managers were good at responding to suggestions from employees and just over one in three (35%) said that managers were good at allowing employees to influence decisions⁵. And a recent survey of nearly 7,500 workers found that while



87% agreed with the statement "I am keen to embrace technology and maximise its benefits", and 73% agreed that technology would improve productivity, less than one in four (24%) said that their employer gave them a say in how technology effects their work⁶. This is a relative, as well as absolute, weakness: in a league table of workforce participation across Europe, the UK comes sixth from last, with only Cyprus, Lithuania, Latvia, Bulgaria and Spain performing worse⁷.

It is hard for workers acting alone to challenge poor practice, but by acting together workers can make a difference. The fundamental reason for trade unions is the inherent imbalance of power between an employer and worker within the workplace, which can only be addressed when workers act collectively. "Together we're stronger" is a powerful slogan because it is true.

There is compelling evidence that workplace representation and voice – as well as being a good thing in themselves – have a strong and positive effect across the elements that comprise good work (or poor work when they are not in place). Some of this evidence is set out briefly below.

Historically, collective bargaining has delivered major gains to workers in the form of **higher wages**. Recent

¹ <https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201516>

² Research commissioned by the TUC. GQR Research conducted an online poll of 3,287 respondents in work in Great Britain, during 11-24 August 2017. The results were weighted to the national profile of working people, by age, gender, ethnicity, region and job characteristics: full/part time contract, public/private sector and industry.

³ Ibid

⁴ Health and Safety Executive, Health and safety at work Summary statistics for Great Britain 2016, November 2016, <http://www.hse.gov.uk/statistics/overall/hssh1516.pdf?pdf=hssh1516>; figures for working days lost are for 2015-16.

⁵ The 2011 Workplace Employment Relations Study FIRST FINDINGS https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/336651/bis-14-1008-WERS-first-findings-report-fourth-edition-july-2014.pdf

⁶ 'The productivity puzzle' A view from employees, A Smith Institute survey supported by Prospect, BECTU, USDAW, Community, the FDA, the Association of Teachers and Lecturers, and the Society of Radiographers March 2016

⁷ ETUI, Benchmarking Working Europe 2017 <http://www.etui.org/Publications2/Books/Benchmarking-Working-Europe-2017>

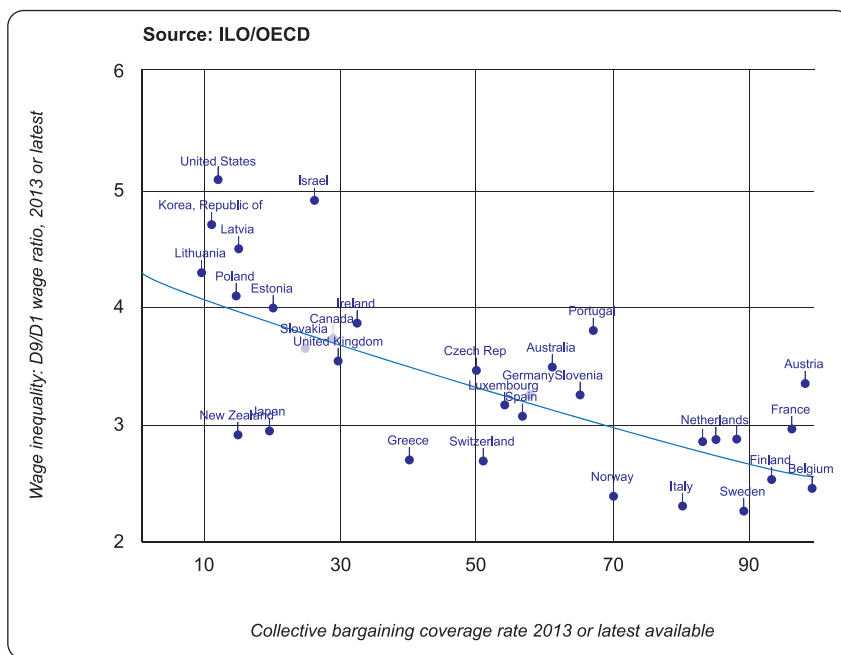
research shows a wage premium for union members in the UK of 6.5% (controlling for workplace, job and employee characteristics)⁸. This effect has stood the test of time and geography; the strong negative relationship between wage inequality and collective bargaining across different countries is shown in the chart⁹ right.

Research shows that unionised employees work fewer **hours** of unpaid overtime. Union members also enjoy longer paid **holiday** entitlements¹⁰.

Unionised workplaces are more likely to have **family-friendly policies**.

According to the latest Work-life Balance Employer Survey, 77% of unionised workplaces had a written policy on flexible working arrangements compared with 43% of non-union workplaces and union workplaces were more likely to offer a full range of flexible working practices, including job shares, term time working, compressed working weeks and annualised hours. Unionised workplaces also provided better maternity pay and support for women returning to work after maternity leave¹¹.

Trade unions have played an increasingly important role in promoting **skills and training** in recent years, reflected in an increase over time in the union 'mark-up' for accessing training. Analysis from the Labour Force Survey shows that in 2013 the training rate for union members was 17 percentage points higher than the rate for non-union members (40% and 23% respectively). Analysis of the 2011 Workplace and Employment Relations Survey¹² found that training levels of at least five days were 16 per cent more likely in workplaces where the union negotiated with management over training (compared with



workplaces without a union). Union involvement in skills also has a positive impact on the crucial issue of skills utilisation: a recent research report from Leeds University showed that union engagement in learning and skills in the workplace is directly associated with higher wages, better job security and improved organisational performance¹³.

Unionised workplaces are significantly **safer** than non-union workplaces. Each year the TUC and unions provide training to internationally-recognised standards to tens of thousands of union health and safety representatives who raise safety issues through health and safety committees and collective bargaining arrangements. According to government research in 2007, the role of union representatives leads to between 8,000 and 13,000 fewer work-related injuries and 3,000 to 8,000 fewer cases of work-related injuries per year. This amounts in combination to up to 616,000 fewer working days lost, saving taxpayers between £181m and £578m (2004 prices) every year¹⁴. And for workers experiencing **bullying** and abuse, unions provide the best – and often the only – means

⁸Bryson and Forth op cit. In their calculations, the authors control for a wide range of factors relating to workplace, job and employee characteristics. Without applying these controls, the gross difference between union and non-union wages, is much higher at 11%.

⁹See <https://iloblog.org/2015/03/03/want-to-tackle-inequality-shore-up-collective-bargaining/> and http://www.ilo.org/global/publications/books/WCMS_346629/lang-en/index.htm

¹⁰Alex Bryson and John Forth, The added value of trade unions New analyses for the TUC of the Workplace Employment Relations Surveys 2004 and 2011, TUC 2017

¹¹The Fourth Work-Life Balance Employer Survey (2013), BIS Research Paper No. 184, BIS December 2014

¹²Nb this is a different dataset from the Labour Force Survey

¹³Professor Mark Stuart et al (2015) Skills and Training: the union advantage, TUC Unionlearn

¹⁴DTI (2007) Workplace representatives: A review of their facilities and facility time

of redress. Every year, unions support thousands of people in internal grievance processes and, as a last resort help their members take cases to employment tribunals, winning millions of pounds in compensation for members each year; in 2016, Unite alone recovered over £209 million in damages¹⁵. Union members have access to legal expertise and support from union representatives, legal officers, solicitors and barristers that non-unionised workers may not be able to afford. And unions are able to coordinate and bring large scale multiple claims on behalf of their membership – such as the equal pay cases that have delivered fair pay for thousands of workers¹⁶.

But the value of workplace representation goes beyond preventing and tackling poor practice, and is an essential component of good work in its own right. It is an important principle of democracy that people should have say over decisions that affect them – and this should apply within the workplace, as in other spheres of life. At the moment, workers in the UK have no automatic right to be consulted on decisions at work, and if there is no union in their workplace many will have no way of influencing what happens there. The TUC would like to see legal changes to make it easier for unions to access workplaces to tell people about the benefits of unions and also to give workers stronger rights to be consulted over issues at work. While individual consultation is a useful component, it has limits in terms of what it can deliver for either workers or employers. Collective consultation allows people to express views anonymously, and therefore will generate a more accurate representation of workforce views. And for employers, consulting collectively with the workforce is far more efficient and practical than trying to gather and process multiple individual views. But most important of all, a collective

approach gives the workforce much more power and legitimacy than any individual could have alone.

The gains of workforce representation and involvement are mutual. As research from the IPA among others over many years has clearly demonstrated, there is a strong, direct link between workforce engagement, well-being and organisational performance¹⁷. And giving workers a say in the process of change is vital to securing a successful outcome. A 2009 study by Alex Bryson et al found that managerial innovations are associated with lower worker well-being and job satisfaction, except when workers are covered by a collective bargaining agreement. Further research suggested that this effect resulted directly from union involvement in consultation over innovation, showing that innovation and change introduced in consultation with unions is more likely to be successful¹⁸.

2018 marks the 150th anniversary of the TUC¹⁹. In 1868, its first meeting – with just 34 delegates – took place in the Mechanics Institute in Manchester. The gains that trade unions have won over those intervening years have transformed the world of work – for the better. Yet, some of those gains – for example, reductions in the working week and stamping out the practice of hiring at the gate – are under threat from developments such as the increasing fragmentation of the employment relationship and the use of agencies, umbrella companies and personal service companies. Workplace representation and collective action remain the bulwark of the struggle to right wrongs and deliver good work. Despite the huge achievements of the past 150 years²⁰, the work of the trade union movement is never done.

Janet Williamson is Senior Policy Officer at the Trades Union Congress

¹⁵<http://www.unitetheunion.org/news/firm-ordered-to-pay-compensation-for-attempts-to-induce-workers-to-give-up-rights/>

¹⁶See, for example, <http://www.unison-scotland.org/2017/08/18/unison-win-second-big-equal-pay-victory-glasgow/> and <https://www.personneltoday.com/hr/asda-equal-pay-case-eat-allows-mass-claim-proceed/>

¹⁷See, for example, David MacLeod and Nita Clarke, Engaging for success: enhancing performance through employee engagement A report to Government, 2009 for examples of research on this area

¹⁸The Road to Recovery How effective unions can help rebuild the economy, TUC 2010

¹⁹<https://tuc150.tuc.org.uk/>

²⁰<https://tuc150.tuc.org.uk/explore-all-stories/>

12. Deliveroo: delivering good work

Dan Warne, Deliveroo UK

Self-employment is nothing new. For decades, people have decided to work for themselves as freelancers or business owners. The benefits are well known. People enjoy the flexibility of being their own boss; choosing how, when and where to work; and having the freedom to commit time to other responsibilities.

Recent technology has enhanced this, changing the way people work for the better. Through technology platforms, choice and availability has increased and the on-demand economy has opened the door to people who previously felt shut out from the jobs market, such as those caring for children or an elderly parent, or students needing to fit work around study. They can now more easily make money in a way that suits their lifestyle.

With Deliveroo, self-employed riders can fit their work around their life, rather than the other way round. There is no other type of work that allows you to work whenever or wherever you want; no other work that allows you to both plan where to work but also cancel right up to the last minute; and no other type of work that allows you to work for a competitor at the same time.

Good work in the on-demand economy

What is good work in the on-demand economy? Our riders tell us they value four things in their work: flexibility, good pay, engagement and security. Let's examine these in turn. Deliveroo offers flexible, well-paid work to over 15,000 self-employed riders in the UK. Unlike conventional companies, on-demand platforms like Deliveroo offer riders flexibility they would not get in typical employer-employee relationships, or if they were classified as 'workers'. Our riders are their own bosses, and with our fee per delivery payment model riders can choose when to log in and accept a delivery, or to decline it if they wish. In a recent survey of UK riders, 85% agree that flexibility is what they value most about working with Deliveroo. Half of our riders are students and 40% have caring responsibilities, which is why they value flexible working.

Furthermore, they can be logged in to multiple

delivery apps at once and so work with our competitors at the same time as they work with us - in fact, over half of our riders do this. For riders, working with Deliveroo is not treated as full-time work, but top-up income: only one in ten riders cite Deliveroo as a main source of income. As Matthew

Taylor remarked in his recent review, 'genuine flexibility... is both the key strength of the UK labour market and also a core component of fair and decent work'.¹

A fair and decent deal means good pay. Deliveroo is very proud of the fact that the average hourly earning for our riders is more than the National Minimum Wage at £9.50 an hour.

We also know that riders work with other companies in the same hour, so their overall average hourly fee is likely to be higher. Crucially, Deliveroo is transparent about the fees riders are likely to make at any given time of day, and we communicate real time information on what they can earn in specific zones. We've introduced a Self Serving Booking tool, which allows us to accurately predict the level of customer demand and then match this with the supply of riders, giving them greater certainty over the availability of work and therefore, their fees and earning potential. The creation of this kind of tool has only been made possible because Deliveroo both listens to and responds to riders, and because of the technology we have built and invested in.

Our groundbreaking algorithm 'Frank', developed through machine learning, means riders can complete more deliveries in a shorter time, travelling with food for an average of just six minutes, allowing them to make more money without working for longer.

Good work also means effective engagement, with riders having a genuine voice and ability to influence company decision-making. For this reason Deliveroo



¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/627671/good-work-taylor-review-modern-working-practices-rg.pdf

was pleased to work with the IPA to develop new practices to engage with riders, ensuring that we are effectively listening and responding to their concerns. The structures we put in place, after having worked closely with the IPA, include more nationwide focus groups with riders on single issues such as how we can improve the app, how we can provide greater certainty over earnings, or how we work with restaurants. Deliveroo has increased our engagement and rider support, with a team dedicated to working with riders on issues as varied as onboarding, tackling moped crime or road safety. We are intent ensuring riders are aware of how their feedback is driving genuine operational change.

Riders have told us they would value more security at work, but they do not want this to come at the expense of the flexibility they enjoy. 75% of riders have told us that they want more benefits, but that they do not want this to mean sacrificing flexible working. Under current legislation, to be classified 'self-employed' means certain benefits are sacrificed, whereas 'employees' receive these benefits but do not enjoy the flexibility associated with self-employment. We have made efforts to give our riders more security within the current framework without jeopardising their flexibility to choose when and where they work. Our riders, for example, have access to the first ever insurance offer for food delivery riders in the UK on-demand economy, which gives them sickness and accident cover should they be unable to work. A first-of-its-kind public liability insurance is also available to our 10,000 cyclists - a product previously unavailable to those working on a bicycle.

The trade-off between flexibility and security

Deliveroo believes everyone - regardless of their type of contract - is entitled to certain benefits, but we are constrained in offering these at the moment. This is because companies in the UK must categorise the people they work with as either 'employees', 'workers' or 'self-employed'.

Our riders are self-employed. This gives them full flexibility - but the quid pro quo is that they are not entitled to certain benefits. On the other hand, 'employees' and 'workers' can more easily be offered benefits, but don't have full flexibility.

Should Deliveroo unilaterally introduce benefits for our self-employed riders, we worry a court would be more likely to reclassify riders as 'workers'. Should

riders be reclassified, Deliveroo would have to calculate benefit entitlements according to duration of work completed, but this is incompatible with the working practices within the on-demand economy which we know to be so popular. For example, for maternity pay, it is not clear what would constitute a 'continuous period' of employment where work patterns are highly variable. And for sick pay, it is impossible to say meaningfully what would constitute an absence when riders have no obligation to work and time worked may vary hugely from one week to the next.

It's time to end the trade-off between flexibility and security. Deliveroo's aim is that employment law be brought into the 21st century to enable riders to have the flexibility they want, which comes with self-employment, along with the increased security that we want to offer. There should be no reason why participants in the on-demand economy can't maintain the flexibility they value for work/life balance, with benefits or protections. We were the first platform to call for this and we would like to be a partner to government in helping them overcome some of the existing shortfalls in legislation.

In our submission to the Taylor Review, Deliveroo identified two problems with the current system that we believe could and should be addressed by policy makers to enable participants in the on-demand economy to receive more security whilst retaining flexibility. The first is the definition of 'working time' in employment law, and the second is in how benefits are accrued, which is currently done by hours or days worked.

Firstly, the current definition of 'working time' uses a traditional employment model where people 'clock in' and 'clock out' of shift work. As it stands, holiday pay entitlements are calculated using this method, however this is incompatible with the on-demand economy. Riders are not required to do any minimum amount of work, and when they choose to make themselves available to complete deliveries by logging onto the app, they are also free to reject any particular delivery offered to them. There is no guidance on how this fits with the 'working time' model, as it's unclear when riders are actually 'working'. Equally, riders work for different companies at the same time and can use a substitute to complete orders in their place, making it impossible to calculate an average time for an

individual rider working with a single company. Secondly, benefits for workers and employees are currently accrued through hours or days worked. Again, this does not fit with Deliveroo's model where riders are not obliged to work any set number of days or hours. They can choose to log in when they want, have the option to cancel right up until the last minute and arrange for a substitute to work in their place. There is no standard working pattern. The fact that a significant proportion of riders work with other delivery services during the same hour raises the question of which company would pay the benefits accrued for that hour's work. In order to calculate workers' entitlements in this way, businesses like Deliveroo would have to introduce compulsory sessions arranged for riders in advance and which required riders to work exclusively for us during those sessions. Riders are very clear this is not what they want, as they would lose the flexibility they value. Should riders lose flexibility, demand for work with Deliveroo would fall as it would no longer be so attractive. Not only would people be denied the work they want, but with fewer riders on the road Deliveroo would deliver fewer orders, which would be bad for customers, who would not have as much choice, and bad for restaurants, whose sales and income would suffer.

A way forward?

In our contribution to the Taylor review, we suggested that a new way of thinking could be applied to give riders more security whilst maintaining flexibility. To overcome the challenges of calculating the accrual of benefits on the basis of hours or days worked, we proposed a change in the

way we calculate entitlements so that benefits could be accumulated on the basis of work performed rather than the hours or days worked. For example, riders could receive benefits on the basis of the number of deliveries they had completed. It would not only help better identify which riders qualify for benefits, but would also allow us to reward those who have worked with Deliveroo for longer.

By changing the way we calculate entitlements, it is possible for participants in the on-demand economy to enjoy certain benefits. We would like to see a change that genuinely allows people to build up benefits in this way. Alongside greater real-time information for riders on earning potential at specific times and locations, something Deliveroo is committed to, this would strengthen riders' security in a new and improved system fit for the modern economy.

The on-demand economy offers new ways of working, opening up a number of public policy questions. But instead of getting lost in rigid positions based on past working models, we must work together to find solutions fit for the modern-day realities of the labour market. With the development of new technology, the on-demand economy has created opportunities for people to participate in well-paid, flexible work. By embracing these changes, common ground can be found to create policies that work for the people who matter most: the riders who value flexibility, good pay and security.

Dan Warne is Managing Director of Deliveroo UK.

13. Good pay and good work

Stefan Stern, High Pay Centre

"No man but a blockhead ever wrote, except for money," said Dr Johnson, in one of his best-known and typically blunt statements. Either the author of this piece is one such blockhead, or perhaps not all work necessarily has to be paid for.

Work is contribution. It involves the completion of tasks, or the provision of goods and services. Amateurs may carry out work for the love of it, and family members may provide care without receiving a pay cheque. But for most of us, most of the time, work should mean getting paid. A professional is, among other things, someone who does something for a living, not just for fun. To test how much you enjoy your job, it is sometimes said, imagine you won the lottery and then ask yourself: would I still go back to work next week?

"A fair day's pay for a fair day's work" has been a guiding principle for campaigners for many decades. Economic theory eventually caught up with the campaign slogans. In 1990 George Akerlof and Janet Yellen (later to become chairman of the US Federal Reserve) published a paper on what they called the "fair wage-effort hypothesis" in the *Quarterly Journal of Economics*.¹

The paper's abstract states: "According to the fair wage-effort hypothesis, workers proportionately withdraw effort as their actual wage falls short of their fair wage. Such behaviour causes unemployment and is also consistent with observed cross-section wage differentials and unemployment patterns."

The text of the paper stated the case more bluntly. "The motivation for the fair wage-effort hypothesis is a simple observation concerning human behaviour: when people do not get what they deserve, they try to get even."

The consequences for inefficiency and lost output are obvious. But while Akerlof and Yellen argued that "people work less hard if they are paid less than they deserve, but not harder if they receive more than they deserve," some economists now argue that what they call "efficiency wage theory" suggests something different: paying people more does, in fact, increase their productivity.

There are several reasons why this might be the case. A better paid job is worth keeping, so "skiving" is less likely. (Feeling underpaid or undervalued, on the other hand, might encourage people to skive.) Better pay will instil loyalty and be good for morale. Goodwill and engagement can be hard to quantify, but you know it when you see it. People take on more responsibility and show initiative, not waiting to be told what to do. This frees up managers' time. And better pay may also attract better quality workers.

So the case for better pay through the organisation, creating a virtuous cycle of better performance, better results and in turn increased wages, is clear. But hang on a minute. Aren't these arguments similar to those made by the defenders of excessive "fat cat" pay at the top?

Here, too, we are told, that the "market rate" for "top talent" has to be paid to attract the right calibre of person. Pay must be high enough to retain and motivate senior executives. And there should be rewards for excellent performance, too.

There might not be too much wrong with any of these arguments in theory. In practice, however, pay at the top has been gamed for over two decades. So much so that, while the pay ratio between the top and the average worker was still at a just-about-defensible 47:1 in 1998, today that gap has more or less trebled.

Have bosses got three times better in the intervening period? Have their jobs got so much harder? Does the fact that many big businesses in the FTSE100 are bigger than they used to be justify such a leap in pay?

The answer to all these questions is "no".

While business leaders might make earnest statements about the need to control costs, that restraint seems to be relaxed when it comes to setting top pay packets. There is a systemic problem here. Remuneration committees, focused narrowly on only a couple of top executives, are failing in their task of



¹'The Fair Wage-Effort Hypothesis and Unemployment', Akerlof and Yellen - *Quarterly Journal of Economics* 1990

considering pay levels, and gaps, through the whole organisation. When you consider who sits around the table in the RemCo meeting – non executive directors, pay consultants and asset managers – it is no surprise that most seem to agree there is no problem with current executive pay levels. These are all very well-paid individuals who are used to the big numbers. They have become desensitised to it all.

Headhunters have an incentive to bid up the numbers too. HR directors may only get invited in at the last minute, to sign off on the figures, and meanwhile the voice of the ordinary worker is... nowhere. Until employee representatives are full participants in the RemCo process the pay gaps will be maintained, even in an era of pay ratio publication and gender pay gap disclosure.

Is this current state of affairs bad for morale? You bet. Research published by the Chartered Institute of Personnel and Development (CIPD) in December 2015 confirmed the harm that excessive pay gaps do to businesses and organisations.²

A survey of over 1000 working adults found that:

- 71% agreed that CEO pay levels in the UK are generally too high
- 64% disagreed that CEO pay levels in the UK inspire employees to work hard
- 60% agree that CEO pay levels in the UK demotivate employees (while only 13% disagreed)
- 54% agree that CEO pay levels in the UK are bad for an organisation's reputation (while only 11% disagreed)

Debate in the UK has rightly centred on the stagnating pay most of the workforce has experienced over the past decade. Allied to this is the chronic productivity problem, which has been well below trend growth rates over a similar period of time. The British worker takes five days to produce what the French or German worker can in four. Our wages are lower, too.

Efficient – or fair – wages are still a long way off, it seems. The only modest consolation is that it could of course have been much worse, without the introduction of the national minimum wage (NMW) twenty years ago, and now the growing campaign to achieve a genuine living wage for all.

When the Low Pay Commission began its work two decades ago it reported seeing a job ad during its research into poverty pay in the UK. It concerned a vacancy for a security guard. The job would pay £2 an hour. And there was one extra detail: the successful applicant would have to supply their own dog.

Even with long overdue rises in the NMW – now misleadingly renamed the “national living wage” – a 25 year old will still only get paid £7.83 an hour from April 2018, with £7.38 an hour for 21-24 year olds, and £5.90 an hour for 18-20 year olds. This is not a lot of money. It is not enough to live on. (The Living Wage Foundation calculates, by contrast, that the real living wage should be £10.20 an hour in Greater London and £8.75 an hour in the rest of the country.)

We are still a long way from pay sanity, and fairness, in this country, and therefore still a long way from good work. They go hand in hand. And until we are serious about fair pay and a living wage for all, we will not have good work for all in this country.

One politician, speaking over a century ago, seemed to understand this danger only too well. His name? Winston Churchill. In a debate in 1909, supporting the Trade Boards Act, which would pave the way for future wages councils (later abolished by the Thatcher government), Churchill said:

“It is a serious national evil that any class of His Majesty's subjects should receive less than a living wage in return for their utmost exertions. It was formerly supposed that the working of the laws of supply and demand would naturally regulate or eliminate that evil ... But where you have what we call sweated trades, you have no organisation, no parity of bargaining, the good employer is undercut by the bad, and the bad employer is undercut by the worst; the worker, whose whole livelihood depends upon the industry, is undersold ... where those conditions prevail you have not a condition of progress, but a condition of progressive degeneration.”

Greater restraint at the top, and more generosity throughout the rest of the pay scale, would bring that “degeneration” to an end. Our future prosperity and well-being depend on it. This does not seem too much to ask.

Stefan Stern is Director of the High Pay Centre

²https://www.cipd.co.uk/Images/The-view-from-below_2015-what-employees-think-CEO-pay-packet__tcm18-8916.pdf

14. Hard work or good work? Industry 4.0 in the public sector

Dean Royles, Leeds Teaching Hospitals NHS Trust

It is clearly a huge paradox of the modern age that as we embark on the Fourth Industrial Revolution the desire for work to be more 'human' has never been more evident. The word 'work' implies labour and toil and yet we want, we need, good work. We want work that makes us feel valued and important, we want work that is satisfying, we want work that we enjoy! No wonder then that organisations struggle to achieve the balance.

As a Human Resources Director, working in the public sector in the NHS, I can see all the benefits that the digital age and artificial intelligence (AI) can bring to the workplace; the ability to speed up diagnostic tests and treatment of patients, reducing bureaucracy, using technology to assist staff and increase productivity and for staff to learn new skills. But I also get a very real sense of the anxiety, indeed, sometimes fear, that employees have. The fear of the unknown, anxiety that AI will diminish professional expertise, expertise that has been gained from years of study and application. The fear that technology can't be nuanced enough to pick up the importance of subliminal messages and indicators that come from face to face contact. The anxiety that compassion will be marginalised rather than integral to effective healthcare. I also get to see the passion, excitement and enthusiasm staff demonstrate when they see how artificial intelligence and digital technology can enhance the care they give, bringing hope to previously hopeless situations, extending years to life and increasing the quality of life for years for many. In a teaching hospital this is perhaps most evident at the cutting edge of the research we are involved with, such as genomics and precision medicine and point of care testing.

Resolving this paradox between hard work and good work and between the digital revolution and compassionate care is at the heart of modern day human resource practice and organisational development in the NHS. Can we create an organisational culture that exploits this tension for the benefits of the patients? Can we find the sweet spot in the public sector? Getting it right in the public sector is essential to the success our economy and to the health of our nation. We know good work is good for our physical as well as for our mental

health. We know staff working in the NHS are important advocates, emphasising public health messages outside of work explaining the importance of diet and exercise, sensible alcohol consumption and highlighting and signposting people to the stop smoking services. They are more likely to advocate where they feel valued at work. With 1.5 million staff working in the NHS, good work is a win for patients, a win for employees and a win for our country.

In HR, we can get hung up about defining terms. What do we mean by organisational development? How do you define staff engagement? What do we mean by good work? These are of course all legitimate questions, but irrespective of how precisely we define them, we know what we mean by them. However, I like the definition from the trade union Prospect who highlight good work as including:

- Secure and fulfilling jobs.
- A culture based on trust and fairness.
- Employee voice.

The Taylor Review of Modern Working Practices concurs, citing good work as work that is engaging, gives people a voice, treats them fairly, is good for their wellbeing and helps them to progress. It should be positive for individuals, but also lead to wider positive organisational and economic outcomes.

We are fortunate in the NHS that most of us still enjoy reasonably secure employment. At Leeds Teaching Hospitals NHS Trust our substantive workforce has grown over the last few years from 15,000 to over 17,500 staff. I am constantly amazed, when we have our regular long service awards for staff that we have so many with 30 and 40 years' service, not just in the NHS but in Leeds, sometimes in the same role or ward area. This security for many staff provides an opportunity to create good workplaces.

Given the anxiety, fears and opportunities that the



Fourth Industrial Revolution heralds for this and the next generation of employees, I believe there are three things we can do now:

Role model digital behaviours from the outset.

For most people in the UK a digital experience is an everyday experience. From online banking, to booking holidays, paying bills and communicating with friends and family on social media, all involve an intuitive interaction with technology. Yet, all too often, in the public sector, the recruitment and onboarding (I hate that word, but we know what we mean by it!) has been a tedious, bureaucratic process. In Leeds, we use technology to engage with new appointees from the outset; completing DBS checks and personal details online (once!) with an opportunity to engage with the Trust, find out about our organisational values, understand our policies and more about where they will work. Despite less face to face contact time, most love the system for its ease of access and simplicity. The quality of personal contact time is then emphasised, helping to give new starters a warm welcome. As the old saying goes 'you never get a second chance at a first impression'.

We hope this approach sets the tone for the way we work, reducing paperwork and emphasising the importance of contact that counts and makes a difference. The chief executive attends every induction with a personal welcome "Hello my name is" Highlighting the importance of a personalised welcome is central to the technology that helps them do their jobs from the integrated Leeds Healthcare Record to e-rostering, electronic imaging and near patient testing. A digital interaction compliments a personal one, it doesn't replace it. If we give staff new fit for the future skills, irrespective of the role they have, it helps create secure employment and employability. Technology that aids employment helps create fulfilling jobs. In the medium term, progressive employers and trade unions need to explore investment in training for lower skilled employees if these staff are not to miss the benefits of AI. I am acutely aware that we can only really harness the benefits of automation if we ensure the dividends of change are felt throughout the workforce.

Crowdsource the views of staff.

The importance of a strong employee voice in creating a culture of engagement and ensuring

good work can't be underestimated. In the public sector, trade unions have played a vital role in speaking truth to power. More recently, in the NHS, trade union power has been enhanced as trade unions and employers have worked more and more in partnership, recognising similar concerns, for example, to increase patient safety and the quality of care organisations provide, and then working in partnership to develop solutions. This combined voice has also worked effectively on government policy. For example, trade unions and employers have lobbied effectively on changes to the Trade Union Bill before it became an Act of Parliament. Public sector bodies should seek to influence government policy. The accelerating pace of AI should see public sector bodies and trade unions influencing government to share the benefits of the digital era and avoid increasing inequalities, for example, increased production could trigger discussion on a shorter working week.

At Leeds Teaching Hospitals NHS Trust (LTHT) we have been working with an organisation called Clever Together to crowdsource the views of our employees, seeking opinions and suggestions from staff. We have regular campaigns complimenting more traditional methods and have engaged thousands more staff than we otherwise would with rapid feedback. Our trade unions have not seen crowdsourcing as a threat but have welcomed and supported us. We are able to share information to refine the views and strengthen the employee voice, making changes to the environment and work processes and procedures as a result. Helping to make work more meaningful. This year we have also worked with Clever Together to become a provider of the NHS staff survey. We have traditionally completed the survey in December but only received results from national bodies in March. This year we had the results in a few working days and have already fed back the findings to staff and their trade unions. We are able to refine the actions we need to take with more crowdsourcing. This has made us an organisation that listens more, acts quicker and says less, enhancing trust in the organisation.

Build a workplace community. A community that people feel proud to be part of.

I believe that an organisation that majors on employee engagement as a key driver of good work

and good care feels like a community. It's a community where managers respect staff and staff respect each other. When talking about community in the context of a new industrial revolution it can sound a bit 19th Century rather than 21st Century and seems to resonate more with the impact families like Cadbury at Bournville and the Lever Brothers at Port Sunlight had. I think the difference with modern workplace communities is that staff are themselves able to engage in philanthropic endeavour. For example, in the run up to Christmas we organised a reverse advent calendar where staff made a gift that we took to a local charity supporting homeless people over Christmas. Four van loads full! We also had 'Santa to a Senior' where staff donated gifts to share with our local senior citizens through local elderly action charities who brought senior citizens into a Christmas carol concert. The new year provided the opportunity to 'Pass on a Present'. Re-gifting to local charities. The advantage we have of doing this now, say compared to five years' ago, is our ability to share progress, pictures, updates and to thank staff through social media using Facebook and Twitter to share ideas.

Staff are able to engage their families and friends too. In a multi-specialty hospital with 17,500 staff, 24/7 social media means we come together to build a modern community. A place that people want to work. This enhances a sense of belonging and helps with our organisational, collective and individual wellbeing, helping all of us, whether providing hands on care, support staff, domestic and administrative staff, scientists and professionals, to make a difference to the lives of others in a very collegiate and collaborative way. A virtual community is a real community.

As the digital revolution continues and we see the rise of artificial intelligence, we can continue to build organisations that remain undeniably human, undeniably compassionate, to provide good work that enhances our sense of wellbeing. There is a sweet spot; we have to continue to listen and work hard to find and secure it.

Dean Royles is Director of HR at Leeds Teaching Hospitals NHS Trust and Co-Author of an Introduction to Human Resource Management.

15. Good Work and the law

Diane Gilhooley, Eversheds Sutherland

It hardly needs saying that, if the goal of 'Good Work' for all is to be achieved, the law has an essential part to play in ensuring respect and dignity at work.

In the UK, a range of employment legislation aims to provide a baseline of rights and responsibilities for workers and employers. While employers must observe workers' rights, workers must also uphold reasonable standards including those relating to bullying, discrimination and health and safety. Employment law recognises that unequal bargaining power characterises some employment relationships and seeks a fair balance of rights and responsibilities between workers, co-workers and those who benefit from their work.

However, the law determines access to certain employment rights and protections according to an individual's legal status - whether employee, worker or independent contractor. As a result, it is important to be able to identify which of these categories the individual comes within to understand what legal rights apply. Getting this wrong disadvantages workers as well as employers, given that misclassifying employment status risks workplace unrest and disruption, employment tribunal claims, financial penalties and reputational damage.

Certain core rights, such as receipt of the minimum wage, of holiday pay and to restrictions on working hours and the right to form unions, extend to all of those categorised as 'workers'. This group includes some who might be considered self-employed for tax purposes but excludes independent contractors who work for clients or customers of their own business. There is then a range of additional rights that benefit the sub-set of workers known as 'employees', among them rights to redundancy pay, statutory sick pay and unfair dismissal protection. For legal rights to be effective, both parties to the relationship need to understand what rights the other has.

The changing labour market, characterised by rising self-employment and new forms of working, is giving rise to concerns about whether the existing law is sufficiently clear to enable good work to flourish. We look at these issues in more detail below. Going beyond questions of employment

status, we also look at the steps employers are required to take to ensure staff understand their rights and responsibilities, the growing emphasis on worker 'voice', and the ways in which the law, and those who enforce it, are addressing potential workplace exploitation in supply chains to ensure that more individuals can benefit from good work.



Assessing employment status

As new, flexible working arrangements and our greater use of online and mobile platforms for work have emerged, the impact of this upon legal status is being tested by the courts against current employment law. In many cases, the result is that individual perceptions of status are dispelled by the courts, once they review the parties' respective obligations and behaviours in a legal context. This, in turn, can lead to unexpected and, in some cases, unwelcome outcomes for those affected, such as the imposition of greater formality and greater legal rights and obligations. Therefore, if a casual or flexible working arrangement is to be achieved and sustainable, it is vitally important that thought is given to the legal status of the individual at the outset.

Distinguishing status in the context of employment law can prove a difficult task, especially with increasingly diverse working arrangements, many of which are premised upon a much looser connection with an organisation than is associated with employment. The important issue for any such analysis is not what the individual is called, how their status is perceived or, indeed, the category they are placed into for tax purposes.

Instead, whether an individual is an employee, a 'worker' or an independent contractor under employment law will depend on the circumstances and the application of relevant case law. In general terms, factors such as personal service, mutual obligations to provide and to accept work, subordination, the terms of the contract and other tests are used by Employment Tribunals and the

courts to determine employment status. So, for example, a key indicator of employee status would be the exercise of a high degree of control over personal service which, conversely, would be absent for an independent contractor.

Calls for greater legal clarity

In practice, applying the legal framework to working reality can be confusing and the ability of the law to accommodate increasingly diverse characteristics of modern working has come under scrutiny. Aside from the burgeoning case law examples, this issue also continues to move up the political agenda, with various Government and other reviews being tasked to consider how greater legal clarity might be achieved.

The latest and most likely review to prompt legal change in the context of employment status is the independent Taylor Review of Employment Practices in the Modern Economy, commissioned by the Government to look at evolving working models and their employment implications. The review's findings were published in July 2017 and contain broad-ranging and, in some cases radical, proposals.

In order to strike a balance between fairness, flexibility and entrepreneurship, the Taylor review recommends renaming 'worker' status as 'dependent contractor' status. It also wants the Government to go further and to redefine the legal tests for employment status, for example, by incorporating accepted case law guidance and by placing less emphasis on the need for personal service for worker status (so that, according to the review, it is 'harder for some employers to hide behind substitution clauses'). In addition, it calls for the right to receive a written statement of terms and conditions (see further below) to be extended from employees to all those in the 'worker' category and for the Government to provide an online tool to determine employment status.

To facilitate clearer understanding of status, Taylor additionally seeks the reversal of the burden of proof in challenges to status, so that the onus is on the organisation to prove a claimant is not an employee or 'worker'. To eliminate current tax confusion, the review also suggests that a 'worker' should be treated the same as an employee for tax purposes.

The Government's response to this review is expected imminently. A further report published in November, by Parliamentary Committees of the

Work and Pensions and Energy and Industrial Strategy Departments, has also identified potential areas for change, advocating clearer legislation on employment status to prevent confusion and promote fair competition between businesses. It will be interesting to see what, if any, recommendations from this and the Taylor review, the Government opts to pursue.

Good work and employment contracts

Having assessed the appropriate employment status of new and existing workers, as a matter of good practice and the law, employers must communicate to their employees the key terms upon which they are engaged. Employers are legally obliged to provide a written statement to every employee who is employed for one month or more, not later than two months after starting work. This statement must contain the major terms upon which he or she is employed and the statement must then be updated if any relevant terms change.

Subject to rights that a recognised union might have to collectively negotiate, employers are largely free to set their own terms for their workforce provided they honour certain base-line protections, such as the minimum wage, paid holidays, rest periods and statutory sick pay. Nevertheless, businesses should be wary of overreliance upon unrealistic and legalistic contracts which do not reflect the actual working arrangements between the parties. This is because the courts are showing an increasing willingness to find that terms set down by an employer are unenforceable because they do not reflect the true agreement between the parties.

Helping employers and workers

As statutory employment rights, responsibilities and protections are aimed at supporting good work standards, it is incumbent on government to assist employer and worker compliance. To this end, the government funds or supports a range of freely available good practice codes and guidance aimed at both: the Acas, HSE, EHRC and government websites are all important workplace resources.

Worker 'voice'

Another theme running through the Taylor review is the importance of workers having a say in decisions that affect them. Our existing law acknowledges this in a number of ways. For example, trade unions that have sufficient support in the workplace can gain

rights to represent and negotiate on behalf of groups of workers, and employers must, in broad terms, inform and consult unions or employee representatives ahead of mass redundancies, business transfers or pension changes and on health and safety matters.

There are also regulations that give employees the right to ask their employer to set up arrangements to inform and consult them about a range of issues in the organisation. At present, the regulations only apply where at least 10% of (and a minimum of 15) employees support a request. The Taylor review recommends that this threshold should be lowered to encourage better take-up, with coverage expanded to all workers, rather than simply employees, to reflect changes in the labour market. It remains to be seen how the government will respond to that suggestion.

Good work in supply chains

Regulatory attention is increasingly turning beyond the working conditions of immediate employees to those working on behalf of companies more generally. In an age of outsourcing, joint ventures, sub-contracting, on-demand workers and long, complex supply chains, many businesses rely on an army of workers across the world.

The Modern Slavery Act 2015 is one such example. Introduced to combat rising evidence of slavery and trafficking, it requires qualifying organisations to publish an annual statement on the steps taken to ensure that both are not taking place in their business or supply chains.

As well as coming under pressure to combat modern slavery, some business models and supply chains are also under suspicion of potentially exploiting workers more generally. There are allegations that, in some instances, minimum labour standards (such as pay, holidays and health and safety) are not being fully applied to them.

In response the Government has appointed a new Director of Labour Market Enforcement, with responsibility for coordinating the HMRC minimum wage enforcement teams (the Gangmasters and

Labour Abuse Authority and the Employment Agency Standards Inspectorate). He is currently considering how labour rights problems in supply chains could be tackled as well as how to strengthen and target regulatory enforcement by the three bodies. One suggestion has been that large companies should be expected to take greater responsibility for identifying and ending labour market abuses committed further down their supply chain.

Globally, California already has an anti-slavery supply chain transparency law, Australia is set to introduce its own, France has adopted a new corporate human rights due diligence law and the Dutch Parliament has also adopted a bill that requires companies to conduct child labour supply chain due diligence from 2020. In addition, the first company reports under the EU Non-Financial Reporting Directive are due in 2018. The Directive requires large companies based in the EU to report certain information relating to workers including human rights and anti-corruption matters.

Against this backdrop, businesses need to be aware that expectations around good work in their supply chains are building. In particular, well known brands and those with higher risk business models and operations can expect targeted attention, and even investigation, as the government, consumers and investors look for improvements in the way that potential labour abuse risks are being tackled.

In response, those businesses tackling slavery risks should also consider whether to act more broadly in the context of labour rights where they are relying on labour supplied by third parties or through other arm's length, outsourced, sub-contracted or supply chain arrangements. The risk is that, without greater oversight, businesses are unaware of the potential risks of exploitation and bad practices which they would find unacceptable for their directly employed staff. This, in turn, carries significant reputational concerns, as a minimum.

Diane Gilhooley is Global Head of Employment and Pensions at Eversheds Sutherland

16. Vivo – Evolving a Collective, Informed Employee Voice in Standard Life

Stuart Innes, Standard Life

Vivo is the staff association for the people of Standard Life in the UK and has been in this form since 2008. As the main forum for employee voice in the company, Vivo has been vital in supporting good work at Standard Life over the last decade. In this chapter, I hope to outline some of the key factors that have enabled this and made Vivo a success.

The word 'Vivo' is an interpretation from Latin, meaning, *'to support and sustain from within'*. The name was only settled on once the representatives had worked on the development of a set of collective values - People, Pragmatic, Professional and Progressive. A few simple words that, with their descriptors, provides a clear vision of the kind of organisation Vivo aims to be. The values guide representatives, helps partners in the business understand what they can expect, and importantly the people being represented know the kind of organisation Vivo aims to be.

There is a central team of full time representatives (on a four year tenure) plus the additional support of training and communications consultants, both working 21 hours per week. In addition to this there is a small group of senior representatives, facing off to divisional directors and additional area representatives allocated on a one to fifty employee ratio.

To ensure Vivo is working at the forefront of the development of the employee voice, Vivo's current Principal Officer is a member of the Involvement and Participation Association (IPA) Executive Committee. This is as well as being part of IPA's Employee Representatives' Hub, a group made up of like-minded employee representatives that supports and inspires each other through sharing ideas, successes and challenges. The Hub is a group from across industry that is always looking to be inclusive, and welcomes all representative bodies, new and experienced.

Vivo and Standard Life through their Partnership Agreement recognise the need for the business to be successful for all stakeholders, including delivering good work for employees. The perspective Vivo takes is from that of the informed employee voice, based on the enablers described by the Engage for Success

movement - **Employee Voice, Strategic Narrative, Engaging Managers and Integrity**; all of these interacting enablers have helped shape the development of Vivo. Through them, Vivo acts as an enabler of not just engagement but of good work more widely.



Refreshing the strategy

Like any business, Vivo has sought to refresh its strategy on a regular basis, usually on a four year cycle, matching the tenure of Vivo's Office Bearers. At the outset the Standard Life Partnership Agreement sought to go beyond the Information & Consultation of Employees (ICE) Regulations enshrining the importance of engagement. As an autonomous body Vivo chose to measure and share its contribution to the partnership and our people, showing how we added value.

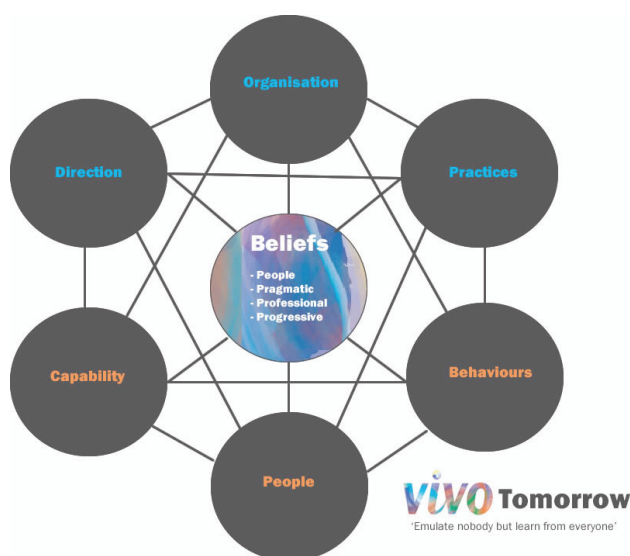
A **Charter** was created to help clarify the areas Vivo seeks to be involved in, showing simply the areas of delivery:

- **Individual** – the services Vivo offer in support someone's daily life in our company.
- **Local** – articulating the local relationships and influences Vivo representatives have in the departments our people are based.
- **Operational** – Vivo's role in helping to develop the employee relations infrastructure, policies and procedures people in a corporate environment work by.
- **Strategic** – Ensuring that we meet regularly with Executives in the company to understand where the business is moving and any potential implications for employees. Also spending time looking at our industry and the world of work to appreciate what external challenges may emerge.

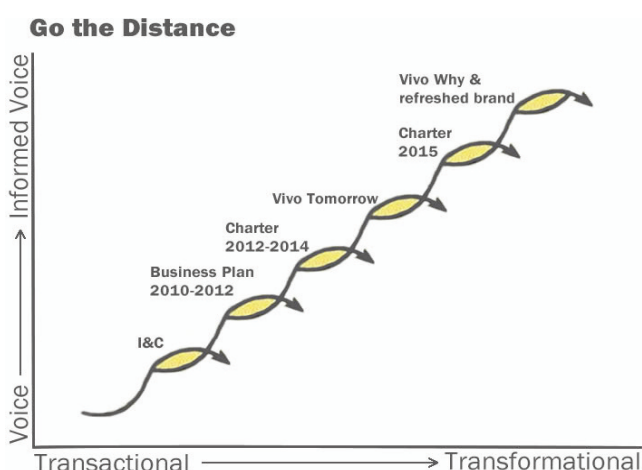
The first two elements of Vivo's Charter were fairly well understood, because of the visibility around the workplace, the latter two needed some explanation so gave representatives a great opportunity to start conversations around the business.

Vivo Tomorrow was the next development. A model

based very loosely on the 'McKinsey 7s' model. The beauty of the model is that it shows how intrinsically linked the many aspects of what we deliver are. The key point in the model is that the organisational values are at the centre of how Vivo delivers.



Creating a Legacy - It's important to recognise that delivering the same proposition all the time will, over time, produce a diminished return. It is imperative to refresh the offering and engage with those who are being asked to deliver it so they have a genuine sense of ownership. The Sigmoid Curve below illustrates a philosophy of continual improvement.



From the model you can see that each one of the arrows represents the impact a strategy delivers over time. A refreshed new strategy needs to be developed, almost perversely, when the previous strategy is at its most effective.

The specific context for Vivo has a strong link to Engage for Success (E4S) where the aim is to move engagement from transactional activity to transformational relationships.

Developing **Vivo's 'Why'** is based on a concept

described by Simon Synek, 'Start With Why'. Vivo representatives worked together in the development of the organisational 'Why', the thing that will never waver even when the 'what' and the 'how' may change from time to time. In doing this exercise collectively, the purpose of the role was re-enforced and once again there was a refreshed concept to share with partners and the people in Standard Life.

The unwavering constant for Vivo is - **'We Believe In People'**



Conclusion

- Partnership working and a respect for meaningful employee voice are important contributors to what makes for a good working environment.
- The representative solution for each business may well be different; the one that is working for the people of Standard Life has a well-resourced staff association based on strong values and underpinned by a bespoke Partnership Agreement.
- The staff association is autonomous and like any business looks to refresh its strategy.
- Representatives are well trained in technical and soft skills that enhance their abilities as a representatives as well as providing transferable skills.
- There is a need to keep the strategy alive and always seek marginal gains, it helps keep the representative body vibrant and provides a new 'story' to share.
- In partnership, there should be a desire from all parties to move the dial from *information* to *consultation*, with a view to *reaching agreement*. This will help engagement and support a robust decision making process for the business.
- The best businesses don't seek to merely transact they look towards transformation. Engagement, partnerships and forums should do the same.

Stuart Inness is Vivo Principal Officer at Standard Life

17. A ten-year mission: putting business at the heart of driving productivity

Tony Danker & Jessica Northend, Be the Business

Putting the productivity challenge in context

The UK is in uncharted waters. It is well documented that in the wake of the financial crisis the UK's productivity - the main barometer of the health of our economy - has stagnated. To put our economic performance in context, the last time we had such poor trend productivity was in 1812, when we saw average annual productivity growth of just 1.7% over a ten year period.

The lessons of history demonstrate just how dangerous economic stagnation can be. Productivity growth - the art of gaining more economic output per unit of input - is the essential ingredient in raising wages and living standards. If we don't begin to turn the tide on our productivity performance, we risk drifting from economic underperformance towards a pervasive, unwelcome social change.

The peculiar state of the British economy

Modern economic indicators on levels of employment, inflation and monetary policy paint an unusual picture. Our country has record levels of employment, with 75% of the population in work, relatively low levels of inflation and, since March 2009, the base rate of interest has not surpassed 0.5% - a historic record. Adding to the mix, the usual trend of recovering productivity after major economic shocks has been notably absent in recent years. Following the economic recessions of the 1970s, '80s, and '90s productivity growth returned to its pre-crisis peak relatively quickly. In contrast, following the 2008 recession productivity has failed to rise beyond its pre-crisis level, making this a particularly unique economic experience.

We also know that macro trends can challenge the traditional rates of productivity growth we've seen over the past 50 years. Increases in the employment rate - including the participation of women in the workplace - played a key role in driving growth in recent decades. Low levels of productivity growth are even more concerning when we look at one of the main drivers of our economic growth over the past 40 years - consumer spending. 65% of the UK's GDP is dependent on consumer spending and this has held up remarkably well over the past ten years



with a variance of only 1% in that time. In the absence of a growing labour market and high consumer spending, looking to the usual routes to improve productivity will likely leave us wanting.

Indeed, economic theories that have been held up for generations are being challenged like never before and economists are coming under mounting pressure over their ability to accurately forecast economic performance. In November 2017, following years of productivity growth not meeting official forecasts, the OBR revised down their projections to 2022. These revisions will leave our economy 2% smaller in 2022 which, when we consider our economy is already £430bn poorer than it would have been if productivity levels had continued at pre-crisis levels, must focus the minds of politicians and business leaders.

The case for business leadership: Be the Business

The need for strong leadership in the UK business community was the key driver behind the formation of the Productivity Leadership Group and the launch of Be the Business. Our work aims to equip business leaders; not just with the practical elements of how to improve their productivity, but also the benefits of doing so. It is the first step towards changing the culture of business in the UK, recognising the importance of long-term investment, good management practices and engagement, to the country's economic vitality.

Government plays a role in this picture. It shapes the long-term climate for productivity and is a critical partner in tackling familiar themes from skills, to infrastructure, to R&D. But it can be years, if not decades, before such initiatives bear fruit. In the

medium-term only businesses can make the practical changes which actually generate productivity improvements.

We now know that the UK has the greatest dispersion of corporate performance among our competitors. On the one hand, we have some of the world's most productive firms of all sizes - the envy of the global economy. While on the other, we have firms which significantly underperform when compared to their global competitors. Unfortunately the former are too few and the latter are too many, resulting in a long tail of British firms which are underperforming in the global economy. This is reflected in the UK having the third lowest productivity in the G7.

In this negative assessment however lies the answer to how we progress. Improving the productivity of the country's underperforming firms does not require the splitting of the atom. Instead, Be the Business argues that if we can raise the productivity of underperforming firms by just an inch, we can unlock over £100bn in GVA for the British economy. These changes can often be small – for example, in management practices, which have a direct link to productivity - but they are being practiced all around us. Our task is to take what works for 'the best' companies and share those lessons with businesses across the UK.

That is why Be the Business is developing a suite of tools which will allow businesses to benchmark themselves against others, fostering competition and improving their efficiency and output, and directing companies to practices that have been proven to drive success.

Unlocking the 'will' and the 'skill'

We know that some companies will be well-equipped to embark on this journey. They will have existing sources of best practice, engage their people and regularly compare their performance and practices to competitors. But these businesses are in the minority. Many more have the 'will' to improve but lack the 'skill' to do so. We will focus singularly and unrelentingly on those businesses who have the drive to strengthen their firms, and will work with them to build their capability to do so. With over 240,000 businesses in the UK employing over 10 people, there's a significant opportunity to improve the productivity of these firms. They can be found in every sector of the economy – from IT to

industrial manufacturing – and every region of the country. Today the UK is one of the most centralised countries in the world with London and the South East contributing over 37% of the UK's GDP in 2015, with this proportion continuing to rise to 40% by 2022. Our success as a nation will be defined by our ability to generate improvements in productivity and prosperity across all four corners of the UK, and across sectors of the economy.

Conclusion

An economy which is strong leads to a country which is stable. However, an economy can only be described as strong if the broad base of its workforce is engaged, and feels confident and optimistic about its future. It's for this reason that improving management practices and creating 'good work' is so critical. The UK has been on a long journey in the past decade to raise the performance of our economy back to pre-2008 levels. The decision to downgrade the UK's economic outlook in November 2017 shows there is still a long road ahead - and this has implications for our ability to invest in public services, pay increases and to deliver prosperity.

The good news is that we have the ability to change this landscape. Through taking the lessons from 'the best' and applying them to a broad base of businesses we have an opportunity to improve the bottom line of businesses across the country, the experience of the people working in our companies and, in turn, our economy.

It's clear that this issue won't be addressed by next quarter's economic statistics. Improving productivity is the economic challenge of our time. We need a ten-year national movement to address it. That's why Be the Business was created – to lead the mission to raise our performance. And we need each and every business in the country to work with us to do just that.

Tony Danker is the Chief Executive of Be the Business and the Productivity Leadership Group
Jessica Northend is Corporate Affairs Director of Be the Business and the Productivity Leadership Group

18. The value of human work in a future automated world

**Professor Juani Swart and David Cross,
University of Bath**

AI/Automation

'The rise of machines' is seen as a fundamental challenge to the future of work and humanity. There are concerns that robots will take our jobs and render us obsolete. While some of these have been prophesised for decades – and indeed a Luddite fear of technology is nothing new – we see that these raise challenges and opportunities for the world of work. It is hard to comprehend the changes that could take place. Innovations in the previous 15 years alone have been vast; who could have imagined some of the tasks that Smartphones can now do and that an online bookshop would have an online assistant and speaker in your house.

The purpose of this chapter is not to elaborate on the detailed nature and developments in automation, machine learning, deep learning and AI, but to discuss how these technological advances might impact on human work. Here we focus on the implications for the human element of work, what the future could look like and how that future could be supported. We offer these reflections in the context of a society where the standard job and a lifelong career with one organisation or even in one sector is now the exception than the norm.

Importantly, we do not see that the future dominance of automation is inevitable, nor will it lead to increased exploitation; *the future of work is human*, it is humans that influence how, where and why technology is deployed. It follows that any future changes rest solely on humans rather than an inevitable human decline or march of machines. This is an important area to consider; much of the recent populism, social issues and unrest seen around the world can be attributed to automation in the areas of manufacturing and then deindustrialisation. This adds a geographic risk to possible changes in the economy and workforce that also require consideration.

Knowledge boundaries

We take the viewpoint of knowledge boundaries to understand the impact of automation. If we look for example at the future of the professions, we need to understand how knowledge boundaries will be re-



drawn. That is to say, which aspects of highly knowledge intensive work will remain in the human domain and which of these can be replaced, or supported, by technology? It is well-documented that more routine tasks, such as document management and reviews, in the legal and accounting professions can be replaced by technology, which is likely to have more accurate outcomes. This then leads us to ask: **What will be at the heart of the future of work?**

In response to this question we can identify three themes when we focus on the impact of automation on the future of work. Firstly, past technological adoption indicates that technology can comfortably replace *intermediaries*. Take for example, the reduced reliance on travel agents with the rise of travel comparison platforms. This dis-intermediation points to the way in which interaction will change in the future world of work. Human interaction will be more focused on direct experiences, and immediate gains, such as is seen in gig-working.

Secondly, the *re-configuration of employment networks* is highly likely to fuel the growth in self-employment and other alternative forms of working. It is currently possible to manage a small enterprise simply from a laptop in a remote location. We imagine that this trend will escalate and that other individual and networked forms of working may become more prevalent than traditional, single employer, relationships. The key here is that automation enables 'individuals', rather than 'employees', to work at or beyond the boundaries of the organisation. In this context, individuals are free to be more creative and innovative - a quality that can be more restricted in traditional forms of

working. As such, we see a continuation of the current trend of moving away from work at a fixed location, more co-working and groupings of individuals who are not necessarily working for one organisation but are clusters of individuals in the same field or with a shared interest. Furthermore, this may see a return to guilds, unions and networks of producers and workers who align not only for work-related synergies but also to reduce isolation that might increase.

Thirdly, we can expect to see the rise of professions that are more directly targeted at human-technology interaction, such as *knowledge engineers*. This, in turn can provide opportunities for innovation precisely in the area of technology. There will be an opportunity to design higher degrees of deep-learning in automation, and therefore, open up avenues for strategic thinking in specific professions. Take for example, the screening of job applications in the recruitment process; much of this can be automated which enables HR professionals to focus more on the strategic matching between skills and the organizations objectives.

What will we keep?

Fundamentally, it is profit that manipulates and drives through many changes. As such, automation and machines will only dominate and take over jobs where it is more economical and profitable for them to do so. Humans, in their work, desire meaning, identity, fulfilment, creativity and autonomy; however, many of these are ironically lacking in the majority of jobs today. As such, future work might seek to re-emphasise these; using machines to do jobs that are repetitive and monotonous thus giving jobs to humans that require the aforementioned factors.

However, there is a danger here. Whereas logic and intelligence were once highly prized in humans, machines are now much better and whereas machines previously replaced the brute force of humans, mobility such as crawling and walking is comparatively harder for machines. As such, if machines take up the jobs requiring intelligence and logic, we must be careful not to relegate humans to menial tasks.

We see three main areas that humans will want to keep human. This centres firstly on artistic aspects, feelings such as love, and artisanal aspects. In terms of manufacturing and making things, we anticipate a

return to craft and an increased appreciation of and desire for artisanal products and services. We have seen this relatively recently facilitated by online market places that enable this on a global level. This relates to our earlier point on increased self-employment.

Secondly there are jobs that require feelings, compassion and understanding which currently machines fail to match. This includes psychology and counselling but also teaching of subjects in the social sciences that don't necessarily have a rational or set answer but require tact and human subjectivity. Finally we see jobs that require high degrees of trust, such as airline pilots or surgery and allied medical tasks as remaining the domain of humans for some time yet. In the former, the technology already exists and indeed much of air travel has been automated for many years in the form of an autopilot that flies the aircraft for most of the flight with minimal human input. Also 'hands-on' tasks, such as surgery and similar tasks are also highly unlikely to be automated despite the technology in all likelihood not being too far away. Both of these examples are primarily issues of trust and human psychological barriers rather than limitations of technology. Perhaps driverless cars will be the litmus test and key in sensitising us to this aspect.

A post-work world?

Aside from considering what aspects of work are worth keeping or may see a resurgence, we posit that this could go even further to a world where work is no longer the defining aspect of our lives and possibly even rendered obsolete by machines. Firstly, shorter hours of work could become the norm, leading to more time for leisure. Machines can replace the boring work and drudgery. Conversely, work could be related less to issues of time or productivity but on value added; something that is already implicit in many areas of knowledge work. Secondly, we challenge the underlying assumption that we have to work and labour for a wage on set days of the week. What if individuals were free to choose what they did and when and indeed if they work at all? What if no-work became the norm? Aside from issues of how to get to this point, there are issues of meaning, identity, self-actualisation and how would people fill their time once they become individuals of leisure; a dilemma faced by newly

retired individuals. Perhaps some 'work' would still be necessary but fundamentally reconceptualised.

Policy implications

In terms of policy and government issues, we reiterate the point that machines taking over and automation leading to increased exploitation or mass unemployed is not necessarily inevitable. Although there is an assumption that machines are not human, we must remember that humans design them and as such they can be subject to the same biases. It is therefore down to us as humans to design, implement and use them responsibly and ethically. This is easier said than done. Regulation and policy have vital roles to play in both handling the introduction and growth of these technologies, and for those that are replaced.

We see that the education and training system would and does require changes now to deal with increased automation. Firstly, there needs to be a reconfiguration in education of how to use machines and automation. Secondly, there is a demand to focus on alternatives to current ways of working. This relates to areas of creativity and the arts in addition to interpersonal skills and generic and transferrable skills that enable individuals to move between jobs. Moreover, there is a need for STEM subjects that continue to assist in the innovation and embrace of new technology.

Allied to this is a need for free labour movement. Demand for labour may disappear in certain areas as machines replace humans. Freedom of movement for labour enables individuals to move to sites of demand where physical work is needed although again, communication technology may render the need to be physically located with the work unnecessary.

In terms of social policy, there is a natural consideration of a universal basic income (UBI). This links to two main points; firstly, the issue that

automation is designed to boost productivity and profitability but ultimately replaces humans. The question arises of who can you sell to if everyone is unemployed or underemployed? If machines do replace many jobs, then there would be a rise in welfare payments and a polarisation of incomes between the few and the many. As such, increased profitability could be redistributed through a UBI that still enables individuals to pursue the work that they want and promotes individual endeavour and meritocracy. Secondly, there is an implication for pension policy. The TUC recently argued that automation and productivity could actually lead to a lowering of the pension age and reduce this growing burden. A greater equality of income and fundamental challenging of the need for work in society means that working for longer may no longer make sense nor be required.

This does, however, require a fundamental rethinking of our social system and relationship with work not dissimilar to that seen in the 18th and 19th Centuries in the UK with the Industrial Revolution. However, it does link to our earlier points of the social implications around populism, disengagement and frustration.

In summary, we view automation as an enabler of a creative, and productive future world of work. In this context, the emphasis shifts towards the human, and not away from it. It is important to understand how knowledge boundaries are re-drawn in this future world of work and which professions may arise. It is this ebb and flow that should guide future of work policy.

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