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Decent Work in Scotland: Thematic Report 2

'Decent Work': the employers' view

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- A Research and Knowledge Exchange linking UWS academics and Oxfam and its community partners in collaborative projects;
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'DECENT WORK': the employers' view

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EXECUTIVE SUMMARY

- Employers and human resources managers would welcome the creation of a clear, widely accepted and easily measurable definition of 'decent work'
- Employers often believe that they already offer 'decent work', without necessarily having a clear understanding of what 'decent work' means
- Many employers are concerned with improving performance and want to provide attractive places to work
- It is important to identify and praise role model employers who provide 'decent work' – a 'decent work employer badge' could be a further workplace quality characteristic
- Employers view responsibility for creating 'decent work' as shared with government and other key stakeholders

THE RESEARCH BACKGROUND

In 2014, the UK Commission for Employment and Skills identified three important factors that together can underpin the kind of work which can be justifiably characterised as 'decent work'. The first factor is 'decent pay', while the second and third factors refer to the nature and security of future work – namely, jobs which are expected to be created in greater numbers in the future, and jobs which are expected to be relatively secure in stable and growing sectors (UKCES, 2014). But employers are faced with a large number of demands and challenges so that the provision of 'decent work' for all employees does not always command the full attention of employers. This is not to say that the need to offer more than just good pay has not been understood or acted upon by employers (see e.g. Boxall & Purcell, 2016). One example is the influential Job Characteristics Model (Oldham & Hackman, 2010) which highlights 'job design factors' beyond pay which are important to motivate employees (Oldham & Hackman, 2010): skill variety, task identity, task significance, autonomy, and feedback. Employers have also sought to understand better what appeals to potential employees in the way of 'employment ideals' (Gratton, 2011). One example for such an ideal is security of employment with a single employer over one's lifetime – it remains an ideal for many employees but employers often see 'change' and 'flexibility' as positive characteristics of a working life.

THE RESEARCH PROJECT – UNDERSTANDING THE VIEWS OF EMPLOYERS

This report is part of a larger project carried out under the auspices of the UWS-Oxfam Partnership to explore the concept and meaning of 'decent work' in contemporary Scotland. The project has already seen the publication of interim findings from a large-scale study with low paid workers in Scotland (Stuart et al, 2016).

This report adds to the larger project by providing some perspective on the views of employers on the 'decent work' concept as it has been promoted by, amongst others, the International Labour Organisation (e.g. ILO, 2008). The report represents initial research findings and recommendations based on a review of the relevant literature and on eight in-depth semi-structured interviews with employers from both the public and private sectors, and with managers and human resources staff from both sectors. Those interviewed have experience in Scotland's biggest employers (NHS Scotland, local authorities, energy companies), and in key sectors of employment often seen to have challenges about providing (hospitality, tourism), as well as experience in the manufacturing sector, and knowledge of small and medium enterprises (SMEs).

Notwithstanding the relatively small sample size, we believe that this group of respondents provide a reasonable basis on which we can discuss employers' perspectives on 'decent work'. For the purposes of this preliminary report, we have condensed our findings into five major themes emerging in the interviews.

Theme 1: Need for clarity – what does 'decent work' mean?

The research showed that interviewees were not very familiar with the concept of 'decent work' as elaborated e.g. by the ILO, nor did they always have a very clear view on what it could mean, despite their extensive experience of the Scottish labour market. However, on further discussion, the factors identified by interviewees as important to make work 'more decent' demonstrate a willingness to look beyond just 'basic needs' and to consider a 'whole package' for employment. These 'basic needs' include pay, type of contract, and conditions of work:

'Stripping it all back and looking at the basics of a job – if you're out of work and you're unemployed you're desperate to get a job, you want a decent living wage, you want these basic things which is to be treated fairly, to know that what your hours are, and not be asked to do unexpected things or non-negotiated things' (Human Resources Manager, local authority).

Beyond such 'basic needs', employers see 'supportive managers' as a central characteristic of a 'decent job' (see Theme 2), but also emphasised factors such as 'purpose' and 'control over tasks'. Further important factors include a 'safe working environment', 'work-life balance' and 'equal opportunities'. Certainly, these factors do feature in most definitions of 'decent work'.

Interviewees were not adverse to the concept of 'decent work' being applied to their organisations – indeed, it was generally accepted that, if properly defined and made 'practically applicable' in the organisational context, it could benefit organisations:

'The term decent work may sound, to some... slightly nebulous and fluffy and like something nice to do, rather than a must-do. But if you get these things right, there are the benefits for the organisation, both internally and in terms of the service or the product it provides' (Human Resources Manager, NHS Scotland).

Simple and quick reviews of whether organizations provide decent work, using a simple and applicable definition, were welcomed by our interviewees. They believed that a positive outcome from such a 'decent work assessment' would provide important recognition for those providing decent work and motivate those employers with less than positive outcomes to learn from role models. Interviewees also emphasised that an applicable definition could help focus employers' and HR managers' attention on pockets of concern in some sectors, for example hospitality and tourism as well as parts of local government.

While interviewees emphasised the importance of a definition of 'decent work', they also worried whether a 'one-size-fits-all' definition could be misleading. For example, they suggested that what people think is 'decent' may vary according to an individual's life stage. With many people now staying in the workforce longer, the differing challenges facing young people entering employment and those at the mid-career stage are now added to by the challenges faced by those working into later-life:

'Although you can, as an employer, put work, job design or work content in place, people are motivated by different things. So what might be decent work to one person might mean something different to somebody else' (Human Resources Manager, local authority).

Theme 2: Need for supportive managers

What, in the interviews, emerged as a shared view was that 'decent management' is considered the key ingredient of 'decent work'. Other factors seemed less important:

'Decent work is not about the processes that people are undertaking, what they're asked to do with their hands or what their brains are engaged in, that's not the issue. The issue is the things that surround... teamwork, the ability to have people around you that you feel make your work supportive, having supportive line management, which I think is where employers have the burden, and it's a thing that they can change' (Human Resources Manager, local authority).

Interviewees expressed the view that people 'don't leave bad jobs – they leave bad managers'. This perception of the importance of the quality of management for 'decent work' is something which, as research by the UWS-Oxfam Partnership has demonstrated, is also in evidence amongst low-paid workers (Stuart et al, 2016). However, in contrast to low-paid workers, our interviewees seemed to think that this factor of 'decent work' was already widely spread.

If employers' focus is too heavily on the quality of (line) management there is a risk that other factors – such as decent pay, reliable contractual hours or job security – are neglected when a 'decent work strategy' is developed. Such a strategy should be developed under the lead of senior management, as an interviewee argued:

'It is up to senior managers to buy into decent work so that they can make it happen. It's up to employers how they respond to the needs of employees' (Employee Relations Team member, Human Resources Department, Scottish & Southern Energy)



Theme 3: Need to address challenges – can 'decent work' be delivered?

The challenges which employers face when ensuring 'more decent work' are many and varied. In the interviews, resource constraints were emphasised as prohibitive to providing more 'decent work', particularly if a business is struggling financially.

Others saw the challenge not in resources but in the willingness of senior management to do something about 'decent work':

'Irrespective of the size or resources or financial position of the organisation, if the willingness is there, then actually I think it is possible to achieve decent work. If decent work is about the fair and effective management of staff, then that's possible in all circumstances, if the willingness is there' (Human Resources Manager, NHS Scotland).

Interviewees were worried about further 'red tape' if 'decent work' was to be measured and reported. Some raised this concern in the context of ongoing and large-scale major organisational change projects and their potential impact on job quality, such as, in the case of the NHS, the integration of health and social care.

Interviewees therefore spoke of a 'challenge' in creating 'more decent work', and of the need to develop continuous dialogue about it, rather than expecting one-off events or single initiatives to be sufficient:

'I think the challenge is very often delivering that in practice against all of the other day-to-day challenges that arise, not least of which being the resources available to you' (Human Resources Manager, NHS Scotland).

A further issue was raised by some of our interviewees. In some sectors, they suspected, 'decent work' is harder to find than in others. In such sectors employees, unsatisfied with workplace quality, may choose to move on to another job rather than raise their concerns with their employers. In the hospitality sector, for example, staff turnover is comparatively high – the sector as a whole lost 23 percent of its total workforce in 2013 (People1st, 2013). The effect of such high turnover could be, according to some of our interviewees, that there is less pressure on the employer to improve conditions and that the employer may be unaware of conditions which are detrimental to 'decent work'.

Our interviewees also spoke about how a 'decent work' agenda could be not so much a challenge but rather an addition to already existing organisational initiatives such as drives towards 'high performance working', 'employee engagement' or 'strategic human resource management'. Here, interviewees saw the potential of inter-connections and synergies between existing initiatives and a 'decent work' agenda.

Theme 4: Need for role models

According to some of our interviewees, the efforts of small and medium sized employers to provide 'decent work' are often less visible than those undertaken by larger companies. As a consequence interviewees see the role model potential of smaller employers as being underutilised. Interviewees also argued that too much attention is given to national lists of a few 'great places to work' (Gibb, 2004) while many other employers outside these lists also provide 'decent work' and should therefore be better recognised:

'Take the company I worked for. If you say to somebody "Have you heard of Company X?" they would go "No." But if you said to somebody "Have you heard of Chivas along the road?" they would say "Yes." We were paying well above the minimum wage, we had family-friendly policies, we were a great company to work for. So, I think the big challenge for the employers is breaking down these perceptions about "Oh, well, if you're not in the top five then you're no' a good employer to work for"' (Employer, manufacturing SME).

Theme 5: Need for sharing responsibilities in the promotion of 'decent work'

There is an appreciation among employers, based on our interviews, that responsibility for the creation of more 'decent work' rests on many shoulders. Interviewees spoke about major actors such as the Scottish Government, non-departmental public bodies such as Skills Development Scotland, and representative bodies like the local area chambers of commerce. A more coordinated approach between these actors was deemed necessary to advance a 'decent work' agenda.

Interviewees discussed an interest in re-connecting employers and institutions of formal education in order to assure that the creation of more 'decent work' is accepted as a shared responsibility:

'I also think if there is a better way to communicate the benefits of decent work – and we've never really managed that in Scotland. We've tried it, we've had various labour market information networks, and we've had business networks, but we've never really managed to communicate effectively to all the businesses that we have within the sector here. Which is amazing given what a small country we are. You'd think we could get that right' (Human Resources expert, Scottish hospitality and tourism sector).

Trade unions are a further actor which some of our interviews saw as a core partner in the making of more 'decent work':

'We have a partnership process with our trade unions in Scotland and they fulfil a real strong role. Not only in terms of their ability to influence Scottish Government and employers but also in terms of their ability to then promote an agenda that they see themselves as having co-created and owned' (Human Resources Manager, NHS Scotland).



OUR RECOMMENDATIONS

- A clear and compelling definition of what 'decent work' means in the Scottish context should be established through a process which engages all key stakeholders and commits them to it
- This definition of 'decent work' needs to align with employers' interests
- A mechanism is needed for employers to commit and demonstrate a buy-in to the 'decent work' agenda, and could usefully incorporate a 'decent work employer award' or badge
- For a long-term and sustainable decent work culture to advance, appropriate training should be provided for line managers – as key actors in the workplace context
- Positive role models across all sectors and scales of employment should be showcased

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