

Making Work Better: **An Independent Inquiry into Working Life in Britain**

Good work is important to our well-being, our standard of living and to our collective endeavour to create a prosperous, fairer society. Work matters, but what is working life in Britain really like today, and how can it be improved? Whether you work for yourself, in a small firm or a large corporation, in the public or voluntary sector, and whatever your occupation, what changes do you want to see? How can we make tomorrow's world of work better than today's?

The purpose of this independent inquiry is to identify what government, employers, employees (and those that represent them) can do to improve working life in Britain. Our focus is on what makes for a better workplace and better employment. What government policies and actions by employers, management and unions would make a difference; and how can we aspire to a high-skills, high-productivity, high-wage economy where more people are satisfied with their work and have greater opportunities and more control over what they do?

Ahead of the General Election we want to open up the debate on the world of work and offer fresh insights and new ideas to all the political parties. We want to present an honest and accurate picture of working in Britain today and develop a forward-looking agenda around practical ways to make work better.

Ed Sweeney, former chair of the Advisory Conciliation and Arbitration Service (the national organisation which champions successful workplaces) will lead the Inquiry. His considerations and recommendations will be based on the views of stakeholders and leading experts in the field, as well as the experience and opinions from people in work.

The Smith Institute, an independent think tank with expertise on employment and labour market issues, will provide the secretariat to the Inquiry. The Inquiry will run until mid-2014.

Background

The last 30 years have seen dramatic changes in the world of work. The decline of skilled and unskilled male manual work, the increasing numbers of managers and professionals and the rise in the number of women at work; all have transformed the labour market. Many people have benefited from these changes, with more rewarding, challenging and interesting jobs. But at the same time there has been a growth of low quality, low paid, insecure employment (especially for women). Casualised employment, such as 'zero-hours' contracts and agency work, has also increased since the recession.

There has been greater employment flexibility, for both employers and employees with a wider range of working patterns enabling people to balance work and their family responsibilities. But at the same time there has been a decline in the level of control people experience at work, the extent of their ability to participate (both individually and collectively) in decision making processes and a consequent decline in the level of trust in senior managers.

Even before the recession, there were profound problems in the world of work. Wages and salaries for most people have been stagnant for nearly a decade, even while top pay has continued to rise. Despite the National Minimum Wage (and the Living Wage campaign) the numbers of people experiencing in-work poverty has increased and job insecurity has become more commonplace. Recent employee surveys also show that British workers are feeling more disengaged, less secure and more pressured at work than at any time in the past 20 years. The *quantity* of employment may have been increasing but the *quality* of employment was not necessarily improving – and for some it's been getting worse.

A sustainable recovery depends not just on a return to growth, but on progress at work and adapting to a more globalised and competitive labour market. The challenge is to make work better and narrow the divide between good and bad workplaces and between low and high pay. Making Britain prosperous depends on sustained rises in productivity, which in turn demands high skilled workers, with high quality jobs, committed to the success of their employer's business. The world of work in Britain continues to fall short of these ambitions.

People also want to value what they do and seek fairness and satisfaction at work. Their livelihoods and quality of life depend on their work and how it connects with their personal lives. Changes in the world of work can have a huge impact on our health, lifestyles, family care etc. Making work better is critical to the economic success of Britain, but also to the way we live our lives and what we are as a society.

The inquiry will therefore examine how we can create better work and a more 'inclusive' labour market characterised by: high productivity (*efficiency*); fair treatment, wages and conditions (*equity*); opportunity for all to influence the critical employer decisions that affect working life (*voice*); and more satisfaction and personal development and support at work (*quality*).

How will the Inquiry work?

The Inquiry will be rooted in the experiences and expectations of people at work and seek to identify and advance best practice. It will be forward looking and focus on what needs to change and what policy solutions can make a real difference. The inquiry, which is open to anyone, will in the process of its work seek to raise the level of public debate and help shape future policy thinking by engaging as many voices as possible, including: representatives organisations and professional bodies, employment agencies and regulators, employers, trade unions, policy makers, politicians; and the views of people at work from a variety of workplaces. Where possible it will also examine the experience in other comparable countries.

Alongside the desk research, calls for evidence and interviews, the inquiry will include discussion forums in Scotland, Wales and the English regions. The inquiry will be guided by Ed Sweeney and informed by a high-level advisory group.

What will the Inquiry cover?

The Inquiry will proceed in two stages: an evidence gathering, listening and engagement phase; and a consideration and discussion phase with stakeholders focused on what we have learnt and what changes to public policy and employer and employee/union practice can work better.

Stage one: The nature of working life in Britain today

The Inquiry will collect information about the realities of working life in Britain today, placing the spotlight on:

- *Life in the workplace – good and bad?* This will explore the nature of work in firms and organisations of different types/sizes; policy changes and rights at work (equal pay, equal opportunities etc), the experience of people in different jobs; the perceptions of workers, managers and owners; and emerging trends, such as migrant workers, casualisation, self-employment etc. It will also look at the experience of older people at work and at occupational health.
- *What makes a good job?* This will examine characteristics of good work and work quality in a modern economy, such as pay and pensions, security, status, opportunity and career progression, training, autonomy, employee voice, organisational form and design; and the connections and balance between work and family and social life. It will also look at new forms of work, such as social enterprise and volunteering.
- *What “voice” do employees want?* This part will look at workplace relations and role of trade unions and other representatives; employer attitudes and management styles; institutional and cultural barriers; as well as the significance and appetite for employee ownership.

The TUC and trade unions, employers and representative bodies like the CBI and British Chamber of Commerce, the Living Wage Foundation and other interested organisation, such as the IPA, Chartered Institute of Personnel and Development, and the UK Commission for Employment and Skills, will be invited to participate in the process.

Stage two: Policies to make work better

The second phase of the project will consist of a series of roundtable events and discussions with stakeholders and experts on what needs to change. It is at this stage that the inquiry will consider the main challenges and prioritise what needs to change.

Amongst the topics for consideration are:

- *Productivity and performance:* Both employers and employees should be the beneficiaries of rising productivity. Which workplace practices are associated with high productivity? How widespread are these practices in the UK? To what extent is productivity related to voice and industrial citizenship? Are highly productive workplaces necessarily good workplaces? What steps are needed to ensure that wages rise in line with productivity?
- *Making a living:* What can be done to tackle in-work poverty and improve pay for those on low to middle incomes? How can the National Minimum Wage and other employment rights (equal pay) be enforced more effectively? What other measures might be taken, such as extending the Living Wage to more low paid workers? Is there a case for a new and systematic approach to standard setting in public procurement (“Fair Wages”)? What can be done to secure more ‘passporting’ or rights and benefits at work?
- *Opportunity and progression:* What can be done to enhance the quality and value of employment and improve personal development at work? How can we get more young people into (suitable) work and what should be done about volunteering and unpaid internships? How can we improve opportunities for promotion and career

advancement? What can we learn from training systems in other countries; what can be done to ensure that employers fully utilise the skills of all their staff? How can we best combat discrimination at work?

- *Getting people back to work:* As we move out of recession how can we get more people back to work and combat under-employment? At the bottom of the labour market there seems to be a revolving door from unemployment, to bad work, to unemployment. Do other countries achieve better results through their unemployment insurance systems and active labour market programmes? How can we improve the apprenticeships system and graduate employment?
- *Security at work and work-life balance:* How can policy tackle long-hours cultures and the lack of good quality part time jobs? How big a problem is casualisation of work and what can be done to combat zero-hours contracts? Is poor corporate governance and boardroom culture at the root of the problem, and if so what should change? What can be done to ensure that men and women share paid and unpaid work more equitably? How can we ensure that workers are offered a range of working patterns consistent with their caring and other domestic responsibilities?
- *Working in the public services:* What should be done to improve the quality of work across the public services so that job quality and organisational performance are enhanced at a time of public expenditure constraints? How can frontline professionals be empowered to innovate and be given an effective voice; how can the public sector be a leader on standards of employment?
- *Employment relations:* What are the barriers to employee engagement? How can policy support innovative trade union approaches to the modern workplace? What can we learn from good practice in the UK and Europe? Is there a case for developing a robust works council system in the UK?
- *Machinery of government:* is there a case for reforming and streamlining the different institutions, agencies and regulatory bodies involved with the world of work? Is there a need for a tougher (co-ordinated) approach to enforcement and compliance?

Have your say

The Inquiry is seeking to raise awareness about the world of work so we can help make work better. We would like to hear from you: about your experiences, evidence you may have or know about; what is a real concern; what works; and what you think can change and how? We will be writing to all the main organisations involved. However, we also value contributions from individuals and anyone who has an interest in the world of work.

If you wish to know more or want to send us information or comment please feel free to contact the *Making Work Better Inquiry* at the Smith Institute. The consultation runs until 30th May 2014.

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