

## SUBMISSION FROM SOUTH LANARKSHIRE COUNCIL

The Work Foundation (in its paper 'Good Work: Job Quality in a Changing Economy') defines good employment as work that has the following characteristics:-

- Employment Security (permanent jobs/ full time/ living wage/ good conditions/ incentives/ pension rights);
- Work that is intellectually rewarding and not characterised by monotony and repetition;
- Autonomy, control of working environment and work task discretion;
- A balance between the efforts workers make and the rewards they receive (perceived justice in the workplace);
- Whether workers have the skills they need to cope with periods of intense pressure (this would be covered by the continuous assessment of work tasks and the availability of training that would enable employees to be flexible and cope with changing demands/ work tasks);
- Observance of the basic principles of procedural justice (legal protection of employment status and rights /framework for grievance procedures between employers and employees and management/ availability of human resources staff/ trade union recognition etc);
- Strong workplace relationships (social capital).

The Work Foundation then goes on to make a comparison between various European economic systems and the knock on effect this has on the quality of employment, and states that the liberal/ market based model favoured by most private sector employers in the UK, is more susceptible to changes in market forces (acute since the 2008 recession). It maintains that this has had a knock on effect on reducing wages and hours, forcing more flexible terms of employment on employees in turn lowering job security through more temporary contracts and fewer statutory rights for employees, with diminishing employee/ employer relationships.

It argues that this in turn creates problems for employers such as lower worker productivity/ increases in employees leaving employment or absenteeism and employers experiencing difficulty in filling vacant posts or greater numbers of job vacancies in certain employment sectors. This is contrasted with an inclusive model, similar to the Nordic countries/ the Netherlands, in which the state uses policy measures/ financial incentives to regulate employers. This is also happening in Scotland through measures such as the living wage, statutory maternity leave, mandatory employer pension contributions etc, and also use of greater public investment to facilitate wider macroeconomic changes to ensure investment in more highly skilled jobs and employment sectors, supported by greater investment in training and education.

Professor Chris Warhurst, Director of the Institute for Employment Research at the University of Warwick's recent publication is very timely.

He identifies that there is a consensus that job quality matters which affects the 'well-being' of countries, companies and individuals and their families. Good job quality makes countries more competitive, companies more productive and workers and their families better off.

He acknowledges the Scottish Parliamentary Committee's launching of this inquiry into work, wages and well-being in Scotland, and which has job quality at its heart.

He also acknowledges that getting a consistent definition is difficult as what is a bad job for one person, can be a good job for another. He proposes that Scotland can take the lead here and convene a multi-disciplinary convention that develops appropriate indicators of job quality applicable to Scotland that are measurable.

Having recognised that there are significant complexities underlying the key questions posed by the Committee's Inquiry, the Council would however summarise the core components in response as follows:

What makes a job 'good'?

- A fair wage related to the skills and requirements of the job;
- Conditions of service that promote flexibility to balance work and life;
- A supportive environment, including policies that support fairness and equality;
- A comfortable physical environment;
- A management culture that supports and encourages people to be innovative and to be involved in changes in the workplace;
- opportunities for progression or promotion and future prospects;
- job security;
- job content reflecting interest, prestige, autonomy;
- Interpersonal relationships, status, dignity, and promotion of self esteem;
- Recognition and feedback on efforts.

What makes a job bad?

- hours of work (both overwork and under work, including overuse of zero hour contracts);
- individuals contracted to work a set amount of hours but expected to work additional hours at very short notice. This is especially a problem for people with young families and those with caring responsibilities;
- Unfair or difficult shift patterns that provide limited opportunity for people to enjoy reasonable family and social lives;

- Erosion of living standards as wages remain static whilst the costs of living rise;
- As employers try to reduce costs, vacancies can remain unfilled with existing employees expected to carry additional workload;
- Undermining of statutory rights for example where an employee becomes pregnant and the employer imposes conditions that make it impossible for her to return to her job after the baby is born;
- Changes/worsening of working conditions where companies are taken over by other companies;
- Poor management of change processes;
- Generally poor non-supportive cultures within organisations;
- Low wages.

Have jobs become better or worse since 2008?

Evidence would suggest that they are worse for those who are at the lowest paid end of the market. There has been an increase in zero hour contracts and too many people remain on the minimum wage with little hope of progression. The increase in in-work poverty levels is evidence of this. Job insecurity for individuals in these circumstances has increased.

In many respects jobs, especially those in larger public organisations have become better, especially in terms of fairness, equality and work life balance. However, it is clear that for some people jobs have become worse and even in the public sector wage restrictions has had an impact on the lowest paid.

It has become an increasingly acceptable method of managing fluctuations in markets by employing people on temporary jobs with minimum hour contracts. This can be exacerbated by aspects of Welfare Reform and benefit sanctions which will push individuals to accept these kinds of jobs for fear of no income. Many people could be affected as they move from benefits, often subject to sanctions, into low paid demoralising work that is unlikely to raise their families out of poverty.

What effect might low quality/low pay jobs have on the economy?

Poor working conditions can negatively impact a person's mental health to the same degree as unemployment, as suggested by research published in Psychological Medicine. Psychosocial job quality can be affected by high work demands, low job control, reduced esteem and poor job security.

Precarious employment or shuttling between job insecurity and unemployment could lead to anxiety or even depression. Many people can suffer stress due to managing difficult work life commitments such as child care or other caring responsibilities. The introduction of Universal Credit may result in significant reductions in levels of support to those working but on low incomes, particularly families. This will add to

pressures on family life, as those on lower pay attempt to hold down more than one job to help make ends meet. The professed psychosocial benefits of work could be compromised as poor quality jobs, job insecurity and low pay have a detrimental effect on wellbeing. When in employment, people experiencing conditions which have such negative impacts will be less likely to contribute as productively as others.

Low quality/low paid jobs mean that individuals and families will be more reliant on welfare benefits to top up their income. In many communities less money will circulate and smaller employers and local service sector businesses will find it more difficult to be sustained.

As the health and wellbeing of more people living in poverty worsens, the pressure on public services, including the NHS increases. More people become too unwell to work increasing pressure on public sector budgets. UK Government policy aims to reduce public expenditure by further driving down the support available to people.

Low quality/low pay jobs are often the main drivers of child poverty. Child poverty impacts on the life chances of children and on their health and wellbeing. It diminishes their hopes for the future and reduces their aspirations for a safe and secure job with a decent living wage. If we do not address the issue of low quality/low pay jobs now, the impact on the economy will be felt going on into the next generation with continuing unacceptable levels of child poverty.

If those with caring responsibilities are not supported in the workplace, their ability to continue caring will be undermined and the costs to the public purse could be affected, potentially reducing the capacity for investment in development of the economy.

What can the Scottish Government and public policy makers do to improve job quality in Scotland?

The promotion of initiatives such as the Living Wage sets an example for industry to follow.

The Scottish Business Pledge includes a good mix of practices for employers to commit themselves to which could improve job quality. Providing incentives for business and other fair work approaches particularly in the low paid sectors including care; hospitality, retail etc. will provide leadership. The Scottish Government can show leadership through its procurement processes to secure fair work practices with business developing an ethos which will set standards influencing the wider labour market.

The Smith Proposals allow the Scottish Government to change and improve benefits for people with disabilities and their carers. There is an opportunity to develop strategies that support people with caring responsibilities to continue working and their employers to improve conditions that contribute to their participation.