



MAKING SCOTLAND A WORLD-LEADER IN FAIR WORK

BITC Scotland's recommendations for Scotland's Fair Work Action Plan based on a series of consultations across Scotland between September and November 2018

INTRODUCTION

In 2016 Scotland's Fair Work Convention published a [framework for fair work](#) with a vision that Scotland would become a world-leader by 2025. To support this vision the Scottish Government committed to publishing an action plan by the end of 2018 setting out how business, government and civil society could work together to achieve this ambition.

Business in the Community Scotland, as the voice of responsible business in Scotland, strongly supports this ambition and has produced this report to support the Scottish Government in the drafting of Scotland's Fair Work Action Plan.

This report has collated the input from businesses who participated in a series of consultations on Scotland's Fair Work Action Plan with insights from Business in the Community which we have gained over more than three decades as the voice of responsible business across the UK.

In 2017 Business in the Community was supported by the Joseph Rowntree Foundation to build UK wide framework and business case for '[Good Work for All](#)'. The findings of this project have been included as they are incredibly relevant to this agenda.

Business in the Community also supported the review of the Scottish Government Business Pledge in the spring of 2018, and we have taken learnings gained from that process into account in our recommendations.





Introduction to Business in the Community

We exist to build healthy communities with successful businesses at their heart.

Business in the Community – the Prince's Responsible Business Network - is a business-led membership organisation made up of progressive businesses of all sizes who understand that the prosperity of business and society are mutually dependent.

In the spirit of being a responsible business, our members are signed up to:

- **Being the best they can be** in delivering social, environmental and economic sustainability across all areas of their business.
- **Join with other businesses** to bring together their collective strength and be a force for good.

Business in the Community set a course for responsible business in the UK.

We use our [Responsible Business Map](#) to guide members on a journey of continuous improvement, working across the whole responsible business agenda.

Through participation in Business in the Community's ground-breaking campaigns and programmes, businesses can collaborate and help to bring about lasting change on a wider scale which benefits both business and society.



BITC's Good Work for All project

There are more people in work in the UK than ever before but falling wages and rising job insecurity has led to a sharp decline in the quality of work.

More than [1 in 5 workers](#) now face precarious employment conditions that mean they could lose their work suddenly. Even with a job, [1 in 8 UK workers](#) are living in poverty so it's highly likely this applies to some of your employees.

Research shows that job quality, employee health and wellbeing, engagement and productivity are closely linked. It's in every business' interest to offer good work.

The Good Work for All Framework identified four areas where employers could take action to offer good work:

- Fair pay and benefits
- Security and structure
- Skills and development
- Enabling change



A 'good job' is one that offers security, rights and a fair income. A good job also offers the opportunity for personal development, progression and a supportive and inclusive environment in which all employees can thrive.

Fair pay and benefits

When looking at fair pay and benefits, BITC encourages all our members to become real living wage employers. According to the [Living Wage Foundation](#), 75% of accredited Living Wage employers found an improved retention rate because of paying the real living wage. Britain's Healthiest Workplaces show that employers lose on average six days of work from people with financial concerns compared to those without, and [a recent survey by BITC](#) found that 24% of respondents in Scotland were struggling financially, with 38% saying that their financial situation negatively affected their mental health at work.

We recommend that businesses take the following actions:

- Pay the real Living Wage where possible
- Pay for all hours worked
- Maintain wage differentials to encourage progression



- Provide fringe benefits, such as store discounts, to help employees reduce costs of living
- Make benefits packages accessible to all staff, including temporary, casual and agency staff
- Invest in better sick pay and holiday pay offers for low-paid staff
- Provide advice and signposting to support financial wellbeing and manage debt

Security and structure

While insecure and unpredictable contracts suit some workers, 12% of all part-time UK workers want more hours and 28% of those on temporary contracts would prefer a permanent contract but have been unable to find permanent work. When work is insecure, unpredictable and isolating, employees are likely to be less engaged. They may be working multiple jobs or looking for alternative employment. Flexible work is good work when it considers the structure and content of roles and ensures flexibility goes both ways, benefitting both the individual and the business.

Improving the structure and content of low-paid roles can increase productivity and job satisfaction, as well as better meet changing business needs.

We recommend that businesses take the following actions:

- Move workers from temporary, zero hours and minimum hour contracts

- Make flexibility mutual by involving workers in decisions
- Provide as much warning of shifts/changes as possible
- Review job design to increase variety and autonomy
- Consider job design and shift patterns when agreeing on new contracts

Skills and development

Low-paid roles are often an important stepping stone for people entering or re-joining the labour market. However, many workers find themselves stuck in low-paid roles. Research by the [Social Mobility Commission](#) has found that over the course of the last 10 years a quarter of low-paid workers remained permanently stuck in low pay and nearly half (48%) fluctuated in and out.

The good news is that low-paid workers who receive training are almost twice as likely to progress – though currently, they are less likely to receive training than those on higher pay, [according to the Social Market Foundation](#).

More needs to be done to ensure low-paid workers are offered and can access training and development opportunities. By developing staff with the skills needed to progress, and establishing clear progression pathways, your business could benefit from a home-grown talent pool to fill vacancies, improved employee engagement and cost savings resulting from lower staff turnover.

We recommend that businesses take the following actions:





- Define and communicate progression pathways
- Ensure part-time and flexible workers have equal access to progression pathways
- Create more incremental progression steps
- Increase functional flexibility by training people in broader range of skills
- Ensure all employees have access to training, and shift patterns, travel and location are not barriers to participation
- Deliver a range of training, from bite-size sessions to softer skills

Enabling change

Enabling change in an organisation can often seem the most difficult thing to do, however BITC has identified key areas that will enable employers to make changes and imbed new good practice in their organisation.

First, employers must have strong leadership to improve the quality of work and create a business environment that incentivises action. This includes establishing a vision for good work and setting out a clear strategy for how to achieve this which is championed by the senior leadership. Leaders must then cascade this down to the rest of the organisation, training and enabling middle managers to change how they work and support their teams.

Change cannot be made from the top down alone, however, and the workforce must be engaged in co-creating a better working environment. Employers must use HR data, focus groups and best practice from others to identify where they are currently, where they

would like to be and how to close the gap between the two.

Finally, effective communication and line management are vital tools which enable employees to understand and take up opportunities to improve their quality of work. Unless all employees, regardless of working patterns or contract-types, are able to access the communication and the opportunities then the process will only add barriers rather than remove them.

Scotland's Fair Work Framework

BITC's Good Work for All project came to very similar conclusions as the Fair Work Convention in Scotland. It identified five components of fair work which are: Security, Respect, Opportunity, Effective Voice and Fulfilment.

The vision of the convention is that by 2025, people in Scotland will have a world-leading working life where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and for society.

Fair work is work that offers effective voice, opportunity, security, fulfilment and respect; that balances the rights and responsibilities of employers and workers and that can generate benefits for individuals, organisations and society.





Scotland's Fair Work Action Plan Consultations

Between September and November 2018 Business in the Community (BITC) Scotland, the Prince's Responsible Business Network organised a series of five Chatham-house rule consultations with employers on the concept and content of the Fair Work Action Plan. Due to this format we have not shared the names of the organisations that participated or attributed comments to anyone.

Working with the Scottish Government and Workplace Innovation Ltd, BITC Scotland engaged approximately 50 organisations in consultations in Glasgow, Edinburgh, Aberdeen, Stirling and Dumfries between September and November 2018.

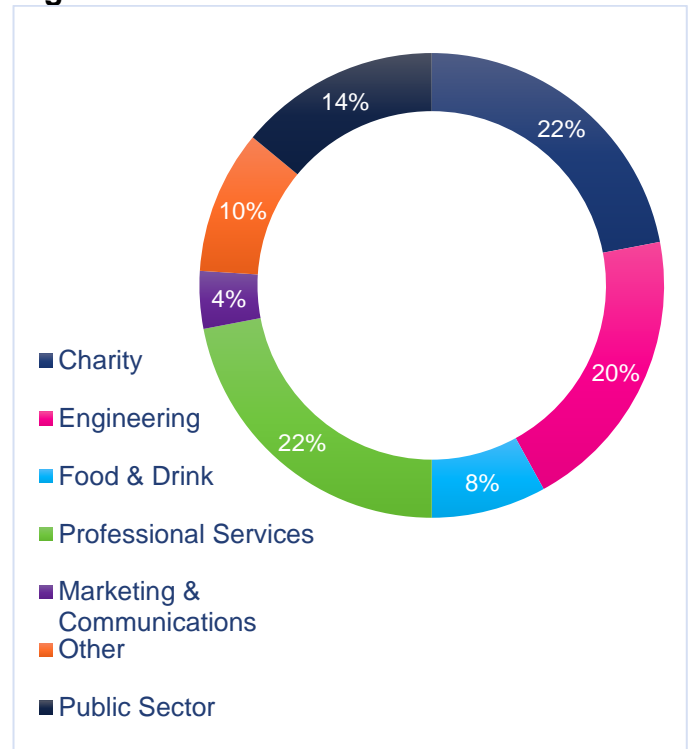
For the consultations we had a good mixture of sectoral representation and large and smaller businesses. Invitations were extended through BITC Scotland's network of members, on social media, through the Business Pledge mailing list and promoted by Scottish Enterprise, CIPD Scotland and others.

We aimed to have 10-15 people at each consultation plus organisers and on average this was achieved. In some cases, more than one person from the same organisation attended a consultation, and in other instances different people from the same organisation attended different consultations.

Each consultation followed the same format which included presentations to set the context of what we meant by Fair Work followed by an interactive workshop session which gathered insight on building the business case for fair

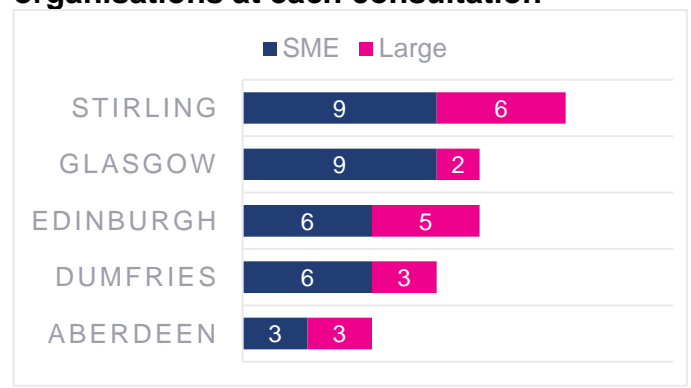
work, challenges to adopting fair work and actions that business and government could take to make Scotland a fair work nation.

Sector breakdown of organisations registered to attend consultations



Source: BITC Scotland analysis of sectors represented in organisations registered to attend consultations

Proportion of SMEs and Large organisations at each consultation

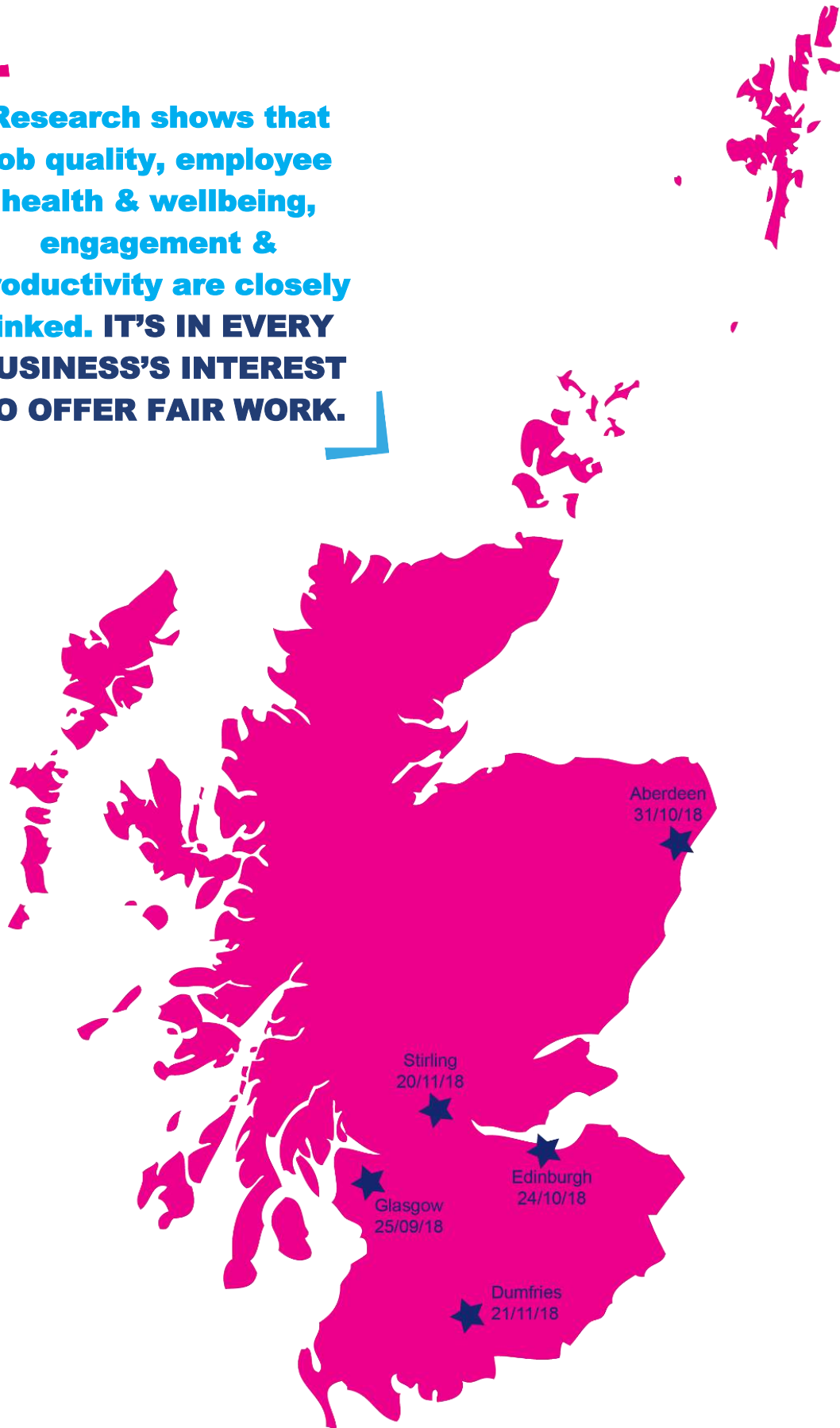


Source: BITC Scotland estimation of organisational size (SME = <250 employees; Large = >250 employees) of organisations registered to attend consultations





Research shows that job quality, employee health & wellbeing, engagement & productivity are closely linked. IT'S IN EVERY BUSINESS'S INTEREST TO OFFER FAIR WORK.



BUILDING THE BUSINESS CASE FOR FAIR WORK



Insights from the Consultations

During the consultations we asked attendees to help us identify what the business case should do, how it could be made most convincingly and who should be the one to make it if we are to encourage more employers to offer fair work to everyone.

- Show the journey that businesses take
- Have businesses as role models that others in their sector, size and stage of development can aspire to emulate
- Show need for fair work to be sustainable, competitive and relevant
- Show that it is ok to try new things and take the risk
- Need to show the need for businesses to put the time and effort into fair work
- Link to organisational values – show how you imbed this into an organisation

- Give examples of how others have done this to make the ideas tangible and achievable
- Show that you don't have to lose your own culture/family feel when adopting fair work – they can and do go together
- Practical examples – lived experiences are very convincing to show in practical terms what a difference fair work makes to an organisation
- Demonstrate return on investment – numbers and statistics combined with powerful case studies that bring the numbers to life
- Use the language of employers – be clear, simple and consistent
- Lots of good material out there but not always as impactful as we would like it to be
- Show how a system change is profitable and possible
- Businesses telling other businesses that this is a good idea is better than government telling businesses

**“FAIR WORK IS
COMMON SENSE,
DON'T OVER-
COMPLICATE IT”**



Insights from BITC

A good example of how to build a strong business case for fair work can be seen in how BITC formatted and presented its [Good Work for All](#) project.

This was done as a digital resource with quotes that acted as an example of the impact changes had on employees, [case studies](#) of employers from a range of sectors that had made changes and the impact it has had. We also provided a free [action plan](#) to help employers take the first steps towards imbedding good work in their organisation.

This project to develop a strong business case and case studies required funding, time and dedicated staff resources to engage with employers, pilot actions and track and measure their results before compiling these into convincing case studies. Once completed this resource has now been freely shared, however there is room for continual addition of case studies and updating of materials based on new learnings.

The other benefit of using a network such as membership of BITC to build a business case is the business to business conversations where employers convince their peers to engage in the agenda, either through conversation or through changing the market to make it unsustainable and uncompetitive for those organisations who have not yet engaged.

BITC employers also utilise the network of organisations on a similar journey with whom they can share best practice and learnings and collaborate to find solutions to similar, non-competitive issues.



CHALLENGES TO ACHIEVING FAIR WORK FOR ALL



Insights from the Consultations

During each consultation we asked attendees to share with us some of the challenges they faced as an organisation to achieving fair work, or challenges that they were aware other organisations were facing. These honest insights centred around several themes which have been highlighted below:

- There was a consistent perceived lack of clarity of what the Fair Work agenda was, how it fits in with other schemes such as the UN Global Goals, the Scottish Business Pledge, the Living Wage accreditation, etc. which was keeping people from getting engaged – they didn't know which one to do and felt they couldn't do everything so often did nothing
- A lack of leadership at senior and middle levels in organisations to champion fair work and implement in organisations was seen as a significant barrier across all sectors and sizes of business
- The lack of benchmarking and ability to measure progress was cited as a challenge in knowing who was doing well, where your organisation was on its journey and how it could improve
- It was also noted that many organisations will have a resistance to finding out how well they are doing on fair work and understanding how they are perceived by their employees
- There isn't a one-size-fits-all version of fair work, it differs by sector
- It is difficult in all sectors to get the time and resources to step back from the daily grind to assess where you are and how you can improve, and then to dedicate the resources to making that happen when you are trying to get the 'day job' done
- Contracts, priority and measurements still focus on lowest costs rather than fair work and this limits the motivation to change. Our short-term focus on benefits and return on investment doesn't allow for change to be imbedded or risks to be taken
- It is difficult to get buy in from employees and take a bottom-up approach to fair work – if employees are not engaged then they won't have fair work, but need to have them engaged to create fair work



- There is a lack of trust in government and business which is a barrier to creating a shared buy-in to the ambition of fair work
- It is difficult to get good case studies from businesses doing well as they are busy trying to be a successful business
- We are not educating our young people on what good work is, what they should expect from work, what will be expected of them

Insights from BITC

When we began to encourage members to support the UN Global Goals, many organisations did not know what they were, why they were important or how they could support them – many of the challenges raised in regards to fair work.

Our response matched the Fair Work Convention's in the development of a framework to help conceptualise the components – ours being the Responsible Business Map.

But some of the challenges raised around the Global Goals was in regards to measurement – both a baseline and the ability to track improvement. At BITC we took the next step and developed a Responsible Business tracker (being tested this year for full roll-out next year) which would give businesses a baseline of where their organisation was against a range of indicators aligning to the Global Goals. The map and tracker also link in to products that BITC provides to support businesses to improve in a range of areas.

It is this response which could be of use when seeking to address the challenges to achieving

IF YOU DON'T KNOW WHAT YOU'RE AIMING FOR, HOW WILL YOU KNOW WHEN YOU GET THERE?

fair work in Scotland. If the Action Plan can signpost organisations, best practice and resources which can support employers to improve in their Fair Work provisions as well as let them know in a private setting where they currently stand, this would enable them to overcome some of the challenges to providing fair work for all.

A resourced network is also key to overcoming challenges, as many employers will require collaborative, innovative solutions gained through sharing experiences with other employers in a trusted setting.

For BITC, our members have access to a network of several hundred organisations from whom they can learn and with whom they can share best practice and collaborate to create compound impact. This helps to build and continue momentum and change culture across sectors and geographies.



ACTIONS FOR US ALL TO MAKE SCOTLAND A WORLD-LEADER IN FAIR WORK



Insights from the Consultations

When asking the attendees to identify actions they wanted to see in the plan, we asked them to look at ones which should be owned by business, ones which should be owned by government and ones that would require joint-ownership to be achieved.

We then asked them to rank the actions which they thought were particularly important. To denote actions which were starred and/or were raised at more than one consultation we have put these in pale blue font.

ACTIONS FOR BUSINESS

- Business to business sharing learnings, taking those at the start of the journey with you (ambassadors for fair work)
- Tackling Bullying behaviour from managers
- Leadership and mentoring others

ACTIONS FOR ALL

- Clear communication of aspirational vision with unifying language. Align business pledge, fair work, the national performance framework, etc. so that we all know what we want and how we can help get there
- Create a more inclusive approach to employment and progression
- Change what we measure and prioritise to allow for fair work and inclusive growth
- Make agile working the norm
- A Fair Work network to share knowledge and experience
- Willingness to hear, listen and change
- Make the business case for Fair Work, highlighting best practice and impact, all have the same message
- Look at skills training for all ages (older access to apprenticeships)
- Awareness and marketing of Fair Work - clear, consistent and honest message
- Cross-sectoral leadership development



- Bring the language and concept of fair work into everyday conversation to imbed it in our culture
- Find a way to scale up and down actions for small and large businesses
- Provide training and support from smaller businesses in regards to HR issues around diversity, legal obligations, support for people with disabilities, etc.
- Spreading awareness of government action plans and engaging business in effective consultation
- Incentives for business (e.g. Accreditation, tax incentives)
- Assistance to business to redesign jobs
- Public sector to practice fair work as examples for others to follow
- Funding - lift caps and/or time limits
- Gain cross-party consensus about fair work so that regardless of government change this will stay
- Create a healthy working action plan (mental and physical health and wellbeing)

ACTIONS FOR GOVERNMENT

- Education system - become more agile & innovative in how we teach and teach leadership, management and innovation
- Scottish Government-wide policies and culture to have Fair Work imbedded in them
- Build Fair Work principles into procurement and tendering activity - prioritise businesses doing fair work



OUR THOUGHTS



Recommendations for Making the Business Case for Fair Work

We know from our consultations on the review of the Scottish Business Pledge that when employers do not feel part of the creation of an agenda, they feel less responsibility or desire for supporting the delivery of it than if they co-create it with government.

We recommend that one of the actions be that the business case for Fair Work be co-created with employers already engaged in this agenda, drawing on members of BITC Scotland, signatories of the Business Pledge and accredited Living Wage employers to gather case studies and champions.

For the business case to cut through to businesses it needs to be made consistently across all areas of government and public policy. Using the same language to talk about fair work and its benefits and integrating it into existing schemes such as the Scottish Business Pledge is critical to success and will help it to gain traction and awareness with employers.

Fair work is relevant in every sector and every size of organisation, and therefore to make the business case for fair work we need champions, best practice and networks that include and speak to every employer in Scotland.

Using BITC's network and links with partner organisations will support this work and help ensure that this will be a collaborative effort to encourage more employers to offer fair work.

This convening of stakeholders will require resources to be set aside to support the building and sustaining of networks, but this investment will be returned by the ability to engage a large range of stakeholders over time to build a business case for fair work through lived experience as well as through communications.

Recommendations for Overcoming Challenges to Achieving Fair Work

The need for a coordinated, clear message from the Scottish Government and BITC on what we hope to achieve from this action plan and how it fits with other existing schemes, pledges and goals came through as a clear message in both the business case section and in the challenges section.



We would recommend that in the framing of the action plan the Scottish Government aligns this to the Scottish Business Pledge, the UN Global Goals, the National Performance Framework and other action plans relating to employment (disability, gender, human rights, etc.).

This alignment will help employers to engage with the agenda and see where they can have impact. The alignment to agendas such as the UN Global Goals will also help organisations that operate outwith Scotland as well as within it to encompass their Scotland activities to support fair work within their wider organisational strategy.

We know from conversations with employers that they are much less likely to adopt a different strategy or culture in Scotland from the rest of the organisation, and therefore if you want to engage them in an agenda it must align with where the organisation is already moving to on a global scale.

There is also a clear need to explore how we can support leadership training in management to increase the knowledge of and ability to support fair work. There is no one way to address this challenge, however engaging business schools, exploring mentoring opportunities through networks such as that of BITC's membership and skills development opportunities, apprenticeships, etc. would be helpful as we seek to build a generation of leaders in Scotland who champion fair work.

Challenges around contractual obligations for employers, especially those who seek public funding, were raised as an issue for employers trying to adopt fair work. There is already work

underway in the Scottish Government to support Fair Work First, however this should be clearly communicated in the action plan and any opportunities for using procurement to prioritise fair work should be explored.

Recommendations for Scotland's Fair Work Action Plan

We recommend that the Action Plan be a living document and that it is regularly reviewed and updated as we gather learnings, accomplish actions and engage with more and more stakeholders.

A strong theme in all the sections of our consultation highlighted the need for a clear, consistent, tangible communication strategy to promote fair work as part of the wider inclusive growth agenda in Scotland. This will require marketing and communications expertise and the action plan should resource the development of a strong campaign promoting the business case for fair work, similar to the ['Scotland is Now'](#) campaign recently launched.

**TOGETHER WE
CAN MAKE
SCOTLAND A
WORLD-LEADER
IN FAIR WORK**





The key part of any action plan is the delivery and given the clear focus of the employers who participated in the consultation on a collaborative approach to many of the actions, we recommend that employers continue to be engaged in the delivery and that this action plan is clearly owned by more than just the Scottish Government.

Responsible business is about how every employer treats their employees, their community and the environment.

Scotland's Fair Work Action Plan and the Scottish Business Pledge

There is a plethora of schemes, pledges, frameworks and action plans for businesses to support, and in order to engage them in promoting fair work this action plan must align to existing schemes such as the UN Global Goals, the National Performance Framework and the Scottish Business Pledge. We know that many employers do not engage on initiatives because they are either confused as to their purpose, think they are already doing this elsewhere in a more impactful scheme or do not see a benefit to making the effort.

We recommend that to engage every employer in Scotland in this initiative, that as part of the review of the Scottish Business Pledge it be re-launched as a 'Responsible Business Pledge' in partnership with a representative of

business, the public sector, the government and civil society.

Given the role of BITC as the voice of responsible business in Scotland with our understanding of the policy landscape as well as a strong network of employers and partners to convene in creating compound impact, BITC Scotland would represent business. SCVO would represent civil society and the voluntary sector, COSLA would represent the public sector.

These partners would work with the Scottish Government and would represent all the areas across Scotland's economy where business is done to ensure that fair work and inclusive growth are promoted throughout in a consistent, tangible way. It would also enable us to collaborate across sectors to share best practice. The delivery team would work more closely with the Fair Work Convention to continue to develop good practice and alignment.

We recommend that the revised 'Responsible Business' pledge would have three areas of focus – one around how businesses treat their environment, one on how they treat their customers and communities and the third on how they treat their employees. This last section would be aligned to the Fair Work framework and allow all employers to deliver the fair work action plan as part of their wider business pledge.

