



Good Work for All

Final Report for Joseph Rowntree Foundation

March 2019

Table of Contents

Introduction 2

 Programme overview 2

 Scope and timeframes 3

Understanding and tackling in-work poverty 3

Phase 1: Building the Evidence base 4

 Good Work for All hub and action plan 7

Phase 2: Supporting practical action 10

 Identifying businesses for the pilots 10

 Pilot projects 11

 Sodexo 12

 Amey 15

 Heathrow 18

Overall learning from the programme 20

Additional outcomes 22

Recommendations 23





Introduction

The Good Work for All programme, supported by Joseph Rowntree Foundation, aimed to inspire and support businesses in low paying sectors to improve the quality of work for low-income employees and address the business challenges associated with in-work poverty.

The vision for the programme was to substantially build the understanding of the drivers for change within business and the effective approaches in driving changes that improve the quality of work for low income employees.

Programme overview

Through the first phase of the programme, Business in the Community (BITC) aimed to build a strong evidence base for change by drawing together examples of good practice across range of sectors. We aimed to inspire, inform and equip businesses to explore ways to take action within their own organisations.

Through this phase, we developed an understanding on the drivers for and barriers to change, the challenges employers face and the appetite for action.

Through the second phase of the programme BITC offered direct support to a range of employers in low paying sectors to help them understand specific drivers for change in their organisations, work with them to set ambitions for improvement and help them plan and start piloting meaningful changes within their businesses to improve the quality of work for low-paid employees.

In this phase we aimed to provide three different types of support to drive business action:

1. Using our online hub of resources and case studies to inspire and inform changes in business practice.
2. Providing light-touch support to 3 businesses as they set ambitions for change and undertook the practical work necessary for improvements to their employment offer.
3. Work more intensively with 1 business to test the effectiveness of a more comprehensive package of support.

For the third approach we anticipated the need to bring in a specialist delivery partner, depending on the requirements of the business, and so built this into the programme from the outset.

Scope and timeframes





The first phase of the programme ran from June to December 2017, culminating in the launch of the Good Work for All hub on the BITC website in January 2018. The second phase ran from January 2018 to January 2019. The scope of the programme did not allow time to run and evaluate full pilots of the agreed interventions, so we focused our insights on how to engage employers and prompt action, drawing together the learning from working with different employers over the course of the programme.

Understanding and tackling in-work poverty

There are 14.3 million (more than 1 in 5) people living in poverty in the UK and of these, eight million people are in working households.¹ Although the UK is in a period of high employment, in-work poverty has been rising even faster than work. With work no longer a guaranteed route out of poverty, Business in the Community is calling on employers to recognise the problem and the role they can play in improving the lives of their lowest paid workers.

Throughout this project Business in the Community has been careful to consider how best to reach individuals experiencing, or at risk of, in-work poverty. The causes of poverty are complex and “low pay does not necessarily translate to poverty at the household level”². However, it does raise the risk of poverty. Through concentrating our efforts on industries that typically employ large numbers of people on low pay, it follows that we are most likely to be instigating changes that will have an impact on people living in poverty. Following the approach in our Beyond Pay Inquiry, we have defined low income employment or low pay to include pay levels up to and including the voluntary Living Wage set by the Living Wage Foundation.

We are also working on the assumption that initiatives designed for people who are on low pay will have positive results for people who live below the Minimum Income Standard or those described as “just about managing”, as well as people on higher incomes who may be struggling because of family circumstances or debt.³

¹ JRF Analysis Unit (2018) *UK Poverty 2018: a comprehensive analysis of poverty trends and figures*, Joseph Rowntree Foundation; York, December 2018

² Sissons, Green and Lee (2018) *Linking the Sectoral Employment Structure and Household Poverty in the United Kingdom*, Work, Employment and Society 2018, Vol. 32(6) 1078 –109

³ Schuemaker, K (2016) *Who are Prime Minister May's Just About Managing and What Would Help Them?* Joseph Rowntree Foundation, 29 September 2016 <https://www.jrf.org.uk/blog/who-are-prime-minister-mays-just-about-managing-and-what-would-help-them>





Rather than getting caught up in definitions and measurements of poverty, we have focused on practical measures employers can take that are likely to have the biggest impact on people experiencing in-work poverty.

We have also been mindful when dealing with employers and employees that the word 'poverty' brings with it a degree of stigma. Previous engagement with businesses on poverty issues and our experiences during Business in the Community's Beyond Pay Inquiry in 2015 informed our approach to avoid using the language of poverty wherever possible in our direct interactions with employers.

When engaging with employers we use the term "low pay" or "lowest-paid workers". Usually these employees will be on, or just above, the minimum wage or National Living Wage set by the Government. However, with one of our pilot projects we took a conscious decision to focus on an area of the business where employees were on at least the voluntary Living Wage, set by the Living Wage Foundation, so that we could isolate job security and structure – and in particular, workforce flexibility – from issues related to pay and benefits.

Research from the Joseph Rowntree Foundation⁴ and others has shown that even individuals experiencing poverty are unlikely to identify with this term. Throughout this programme we have used phrases like "on low pay" and "struggling financially" to connect with people using language they recognise and understand.

Phase 1: Building the evidence base

We first set out to understand the drivers for and barriers to change and draw together examples of good practice across a range of sectors.

While there is some information in the public domain about the business case for specific measures such as paying the Living Wage or increasing job security, there is limited information that sets out the business case for more comprehensive improvements in job quality for low-paid workers in the context of the current UK landscape.

To build the evidence base we:

- conducted informal interviews with key Corporate Responsibility and HR leads from ten different employers to build an understanding of the profile of their lowest paid workforce

⁴ Hall, S; Leary, K and Greevy, H (2014) *Public Attitudes to Poverty*, Joseph Rowntree Foundation, York





and understand whether they were experiencing any business issues relating to people in these roles

- updated our annual Employment Survey for BITC members to include specific questions around current workforce priorities, and the impacts of external factors such as Brexit
- ran a workshop with 21 representatives from 14 businesses across a range of sectors to test ideas and share good practice.

Bringing this information together with our previous research from Beyond Pay, fresh case studies and current external resources, we developed an online hub and action plan under the banner of Good Work for All.

In developing these resources we engaged with a wide range of non-business stakeholders including:

- The RSA and Matthew Taylor's Review of Modern Working Practices
- The Living Wage Foundation, which provided a number of case studies for the website
- Specialists in flexible recruitment, Timewise, which also provided case studies and a report and became an expert partner in phase two of the project
- The Child Poverty Action Group and Working Families
- Learning and Work Institute, becoming members of the Better Work Network when it launched in 2018
- Mayor of London, contributing to the Mayor's Good Work Standard
- CIPD
- The Work Foundation, with its research on fringe benefits and low-paid workers informing one of our pilot projects
- Researchers at the University of Newcastle and University of Birmingham.

The Employment Survey with Business in the Community members found that a high proportion of companies had taken some action on low-paid work or increasing social mobility. However, these were also areas that many companies did not consider to be a current priority or applicable to them. More research is needed to understand the reasoning behind employers choosing 'not a priority or not applicable' in relation to low-paid work and social mobility.

The survey identified members' top workforce challenges as:

- Recruiting people for skilled roles (50%)
- Increasing diversity in the workplace (48.8%)
- Building a future talent pipeline (45.4%)
- Staff retention (43.1%)





- Employee engagement (30.6%)

The new resources developed for our website reflected the priorities and drivers for action, as well as the barriers and enablers we'd uncovered.

Business drivers	Business barriers
<ul style="list-style-type: none"> • Engagement and productivity (these were seen as closely linked) • Attraction and recruitment • Retention (particularly limiting the cost of high turnover/attrition) • Progression (to fill skills shortages, create an attractive employer offer and build employee loyalty) • Customer relationships (especially where customers were demanding employment conditions such as the Living Wage) • Skills and talent shortages (particularly with Brexit looming) • Gender pay gap reporting requirements 	<ul style="list-style-type: none"> • Employee shift patterns making it difficult to communicate or engage with staff • Employees without access or skills to use digital technology • Lack of clear Return on Investment information to make the financial case • Resistance from operational managers • Cost of programmes and support to tackle issues • Poor communication within organisation • Fear of setting a precedent for other teams/sites • Poorly resourced HR teams
Key enablers	
<p>The success factor most often cited in interviews was the importance of strong engagement with leadership, including the CEO.</p> <p>Other factors that were mentioned as being instrumental to successful implementation of particular initiatives or the broader achievement of strategic priorities included:</p> <ul style="list-style-type: none"> • having commitments in the public domain • a desire to be seen as leaders and/or innovators • the opportunity to strengthen relationships with clients • the ability to pilot changes within a discrete part of the business (this was seen as critical for those companies with limited influence across parts of the business, such as franchise models or companies with a number of autonomous business units, to drive wider adoption across the rest of the organisation). 	



Across all our research with employers, staff engagement and retention were the two most cited drivers for action to improve low-paid work, while Brexit and skills shortages were the external factors where employers were seeking to address negative impact.

These findings also helped us to shape the pilot projects we undertook in phase 2 where we worked more intensively with a small number of businesses to understand their challenges and set them on a course for change.

Good Work for All online hub and action plan

The culmination of our work in phase one was the launch of the Good Work for All online hub and action plan in January 2018, available at www.bitc.org.uk/good-work

It aimed to simplify the multiple asks of business in the area of improving low-paid work into an action plan that could be easily understood and implemented in a business of any size. The resulting Good Work for All model condensed six areas of employer action from Beyond Pay into three: pay and benefits, skills and development, and job security and structure (incorporating job design and flexible working). Each area includes a list of suggested actions that are supported with statistics, quotes from low-paid workers and impact stories from business. Three enablers support taking action: strong leadership, workforce insights, communication and line management.





The Good Work for All action plan and online hub has enabled employers of all shapes and sizes to learn about good work and use our resources to take action in their business in the following areas.

Fair pay and benefits

Understanding poverty is complex and while income alone does not account for the whole problem, it is a significant part of the picture. Britain's Healthiest Workplace research shows that someone with financial concerns loses on average six days per year more, in absenteeism and presenteeism, than someone who does not have financial concerns. It should come as no surprise that employers who pay the real Living Wage or have helped employees manage living costs report a number of business benefits, including reduced absence, improved reputation, retention and staff engagement rates.

Impact story: ISS sees the difference the Living Wage makes

Facilities management company ISS has significantly reduced staff turnover and attracted a higher calibre of candidates to work on its cleaning contract on the London Underground since adopting the Living Wage. When Operations Manager Sean Farrell first joined the business 10% of staff on this contract would leave each year. Since adopting the Living Wage he has seen this rate drop to 1.4% and witnessed the positive effects on morale and productivity. "It used to be that you would only have people from the direct vicinity applying to work here, but we are now getting people from further afield that are more experienced and better trained because the money is so much better," Sean said.

Impact story: Starbucks helps partners with the cost of housing

Starbucks is a global coffee retailer with over 900 stores across the UK. It directly employs in the region of 5,500 partners (its term for employees) across the UK. Around half of its partners in urban areas are under the age of 25 and the cost of living was recognised as a challenge for these employees. With resounding support from partners, Starbucks launched its Home Sweet Loan initiative in May 2016, becoming the first private sector company to launch a rental deposit scheme. It offers an interest-free loan to Starbucks partners working in company-owned stores who have been with the business for six months or more, to help contribute to the costs of a rental deposit when moving home, or sub-letting a room.

Read more about how ISS, Starbucks and others are offering fair pay and benefits:

https://www.bitc.org.uk/resources-training/resources/impact-stories?case_study_key=&field_global_category%5B0%5D=4108&field_sector%5B0%5D=All&sort_by=created&sort_order=DESC





Security and structure

More than 1 in 5 UK workers face precarious employment conditions that mean they could lose their work suddenly 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.

Impact story: Adnams abolishes zero hours contracts

Adnams employs around 560 staff across a range of roles, including hospitality, logistics, admin and sales. In 2015, it took the decision to get rid of zero-hour contracts and move its employees onto fixed contracts with a minimum number of guaranteed hours.

Approximately 10% of employees were moved onto minimum hours contracts. The changes mean employees are better equipped to get loans, mortgages and mobile phone contracts and the business now finds it easier to attract new employees with the balance they offer between security and flexibility. Adnams' retail manager said: "I was initially concerned that my wage bill would be too high and my staffing levels would be too rigid but it's been fine. I need to rota well but the benefits for my team outweigh any minor impact on my workload."

Read more about how Adnams and others are improving job security and design:

https://www.bitc.org.uk/resources-training/resources/impact-stories?case_study_key=&field_global_category%5B0%5D=4109&field_sector%5B0%5D=All&sort_by=created&sort_order=DESC

Skills and development

Low-paid roles are often an important stepping stone for people entering or rejoining 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. Businesses that develop staff with the skills needed to progress and establishing clear progression pathways benefit from a home-grown talent pool to fill vacancies, improved employee engagement and cost savings resulting from lower staff turnover.





Impact story: Greggs proactively encourages in-work progression

Bakery chain Greggs identified a particular challenge trying to recruit Senior Team Members for some of its shops from within its existing employees. Though managers could easily identify staff capable of filling the roles, they found their colleagues were reluctant to apply for the promotion. Despite the associated benefits of a better hourly rate, the formal interview process was found to be putting off potential candidates. The company piloted proactively offering promotion to team members on a trial basis, allowing them to build confidence in the role without the pressure of applying for a promotion. More than 200 team members have now been through the trial and almost three quarters have been successfully promoted.

David Hindmarsh, Head of People commented: "What was satisfying about this was it was an idea driven locally from a particular area that challenged our recruitment processes and came about because a Regional Manager believed some of their people were capable even if they didn't know it themselves."

Read more about how Greggs and others are offering skills and development:

https://www.bitc.org.uk/resources-training/resources/impact-stories?case_study_key=&field_global_category%5B0%5D=4110&field_sector%5B0%5D=All&sort_by=created&sort_order=DESC

Phase 2: Supporting practical action

Identifying businesses for the pilots

Throughout the course of the programme, Business in the Community directly engaged with 30 members on Good Work for All and we have been encouraged to see increasing interest among our members for advice and support in this area.

Following our Good Work for All workshop in November 2017 we developed a longlist and a shortlist of companies that could be candidates for pilot projects or light touch support based on a review of our member companies in low paying sectors such as hospitality, facilities management, retail, and food and beverage producers. This included companies that had sent representatives to the workshop and organisations that were unable to attend but had expressed an interest in Good Work for All.

From a longlist of 16 we pursued pilot projects with seven companies. Three were support services companies, offering facilities management such as cleaning, catering, reception and construction support. These businesses employ workforces numbering in the tens of thousands





and have large numbers of workers in low-paid roles. The other companies included food production, car hire, grounds maintenance and an airport.

Through our initial negotiations with each of them we gained a sense of their drivers for involvement and their ability to commit time and resources to pilot solutions.

We did not take forward pilots with three of our shortlisted companies for the following reasons:

- they did not have the resources or capacity to commit to a pilot in our timeframes
- they had other priorities or interests outside the parameters of the pilot
- they did not have director-level support for taking a pilot project forward.

A fourth company did engage with light-touch support to create a staff survey to understand the issues within their business. We supported on the design and scope of the survey but were unable to maintain contact and momentum after this despite repeated efforts. As a result, we have been unable to take the project to the stage of feeding back on survey results or helping them identify actions to take to improve the lives of their lowest-paid workers.

The remaining three businesses engaged fully with pilot projects, committing time and resource from within their business, and the results of these are outlined below.

Phase 2 pilot projects

We gained commitment to go ahead with pilot projects from three businesses, each focusing on a different aspect of Good Work for All.

The most in-depth work was carried out with Sodexo, first to identify the area on which to concentrate and then to walk through a scoping process for improving flexible working within the business with the support of our expert partner Timewise.

Work with Amey was focused on an identified need to improve their benefits offer for their lowest paid workers.

Our engagement with Heathrow was focused primarily on building a clearer picture of the employment offer within Team Heathrow (the businesses that operate within the site). In this pilot particularly, there is much greater scope to expand the project and deliver this over a longer time period, given the size and nature of the businesses involved.





Company: Sodexo

Project dates: February to November 2018

Project focus: Security & structure – job design

Sodexo has committed to improving quality of life for its 34,000 strong UK workforce, with a headline target of reaching 68% engagement by 2025 (from a rate of 52% in November 2017).

Flexible working is an area where BITC identified it could support Sodexo to make the most impact on employees' quality of life and engagement in low-paid roles.

This project worked in three stages to:

1. Establish the focus, looking at existing workforce data from the Quality of Life survey and focus groups (extensive internal survey of employees' satisfaction at work and identification of things that could improve it), identifying steering group leaders and working with HR personnel to understand the challenges and build a detailed project plan.
2. Identify the scope and capacity for change at different job levels within the chosen part of the business. This involved conducting interviews with the team and a workshop with operational managers and staff to identify barriers to flexible working, both culturally and operationally.
3. Present recommendations for action. It will evaluate job redesign options working with central HR teams and operational staff and present recommendations to the team and steering group.

In conjunction with Sodexo, we agreed to bring in flexible working specialists Timewise to lead the pilot project through stages 2 and 3 with Business in the Community overseeing the partnership and bringing a wider good work context to the discussions.

Activity and engagement

Stage one involved working with Sodexo as a critical friend to look at existing workforce data for their Quality of Life survey and focus groups to understand the issues and the actions already taken or planned within the business.

Collated data from the Quality of Life survey identified the top five priorities for employees as:

1. Pay
2. Benefits
3. Flexible working
4. Staff engagement
5. Communication

Sodexo had already identified plans to work internally to raise awareness of the total rewards package available to employees and work with the Living Wage Foundation on pay. Business in the Community believed we could have the most impact working with an expert partner to initiate change on an area that did not yet feature in Sodexo's plans.

Flexible working was the area where Business in the Community proposed to support Sodexo to make the most impact on employees' quality of life and engagement in low-paid roles. This area was identified as employee survey responses highlighted staffing levels and workload as common issues, alongside staff wanting more two-way flexible working to improve their health and wellbeing and spend more time with family. Some employees wanted shorter working weeks, while others wanted to increase their hours.





Business in the Community identified with Timewise that positive outcomes from a whole-team focus on flexible working were likely to include:

- increased teamwork and peer support
- better work-life balance
- improved employee commitment and engagement
- reduced intention to leave.

We worked with Sodexo to identify an appropriate area of the business to conduct a pilot project. We were aiming to identify an area that had strong buy-in from senior leaders and where outcomes and findings from the pilot could be applied to other parts of the business and, indeed, to other businesses working in this area.

With the support of Sodexo's Global Head of Pharmaceutical and Life Sciences we settled on the catering function at one of Sodexo's flagship sites – GSK House and GSK Stockley Park both in West London. As a Sodexo client, GlaxoSmithKline was pushing for high ethical standards and innovation so the business case was there for Sodexo to initiate experimental activity in terms of flexible working.

Following the engagement of Timewise we arranged a formal kick-off meeting with Sodexo involving key stakeholders from Sodexo's corporate responsibility and reward teams, as well as a representative from GSK House.

Timewise took Sodexo through the first three stages of their five-stage process for implementing flexible work redesign, beginning with a flexibility audit using data Sodexo provided. They ran four focus groups, speaking with 18 catering team members and 12 managers. The survey of about 200 employees from across two GSK sites – GSK House and Stockley Park – received 48 responses.

The research found that flexible working was not currently well embedded at either of the GSK sites:

- low numbers of part time staff (8.6% of workforce), predominantly female
- small numbers of staff have flexible working arrangements, and low numbers of requests are received
- no vacancies are advertised currently with flexible working options
- 50% of employees would like the opportunity to work more overtime if it was available, while 21% would like the opportunity to reduce their hours.

Taking a team-based approach to scheduling would enable Sodexo to better match employees' preferences with business needs and open up opportunities to improve work life balance.

With input from three steering group meetings we produced a flexible working action plan and high-level plan for a proposed team-based flexible working pilot project.

Recommendations and next steps

In conjunction with Sodexo and Timewise we identified three broad areas for action:

- Undertake specific, targeted interventions to address particular findings from the research ('Quick Wins'). These include:
 - Creating a revised Sunday work pattern for teams at Stockley Park and GSK House





- Training line managers in how to manage the clocking-in; clocking out system to drive consistency and fairness
- Initiate a team-based scheduling pilot with the catering team and another identified team to test how to implement flexible working at Sodexo.
- Capture and share learning from the pilot to enable wider roll-out of flexible working in different teams, sites and areas of the business and to share publicly through Business in the Community's Good Work for All hub.

Sodexo is currently taking forward the first area for action. They are delivering training sessions designed to support the development of rising stars, supervisors and managers across sites and increase the understanding and perception of the management teams' approach to flexible working. They are also initiating talking days with GSK House site teams to discuss needs highlighted in the research and opportunities within wider teams for term time-working and reduced hours during quieter periods. Finally, they are reviewing shift pattern changes with their catering teams for implementation within the next three months.

The full pilot project is suggested to run over six months in 2019 and the following design elements are recommended:

- agree teams to participate in the pilot project
- define scope of what the pilot will test and what it will not cover
- launch the project with teams, including internal communications
- collect baseline data
- run workshops with pilot teams to agree alternative solutions
- run new rotas for six-month pilot, and capture learning.

Lessons learned

- Data reviews rely on information collected by and readily available to the organisation so can only tell so much. Even data collected specifically as part of a project, such as through surveys and focus groups, can often throw up conflicting information so discussing and making sense of the data with people from the business is important.
- Working with teams – both managers and non-managers – to understand their particular circumstances and viewpoints was essential to inform the development of the pilots and begin to get buy-in for change.
- Flexible working is often ill-defined, comes in many forms and is not always desirable for individuals. Throughout the project BITC and Timewise were careful to make clear to the steering group and to employees taking part that good flexibility is a balance between the needs of the business and the needs of the individual.
- Senior level buy-in was essential to get the right people in the room and to open doors to allow access to business information and individuals that were needed for the project to go ahead.
- Project management and co-ordination was needed both inside and outside the organisation to bring partners together, provide context and co-ordinate meetings, focus groups and surveys.
- Engaging an expert partner was invaluable in terms of bringing new knowledge into the project, using a tested methodology for building the case for a pilot and providing the capacity to carry out in-depth work.





Company: Amey

Project dates: January 2018 to January 2019

Project focus: Pay & benefits – fringe benefits

The Good Work for All programme offered a one-off opportunity for Amey to engage with Business in the Community to increase uptake and relevance of Amey's benefits package for low-paid staff.

Each year in January Amey opens its 'benefits window' – a month where employees can choose from a range of benefits covering health and wellbeing, insurance and lifestyle - for the coming year.

We looked at results from Amey's 2018 benefits window and used The Work Foundation's Typology of Fringe Benefits⁵ to analyse the current offer in terms of content and communication. Focus groups with low-paid employees helped to understand their priorities and preferred methods of communication.

This project worked over three stages to:

- Review the benefits package and understand most-valued benefits – using the results from the 2018 benefits window and insight from The Work Foundation's project Improving Fringe Benefits for Low Earners we mapped existing benefits and designed focus group questions to consult with low-paid employees.
- Present the findings to key HR and operational leads to consider the options for change and agree recommendations for Amey to take forward.
- Provide ongoing light-touch support including introductions/signposting to experts, highlighting new research and examples of good practice.

Activity and engagement

Discussions with Amey identified that they wanted to increase uptake of benefits among their lowest paid workers. They wanted support to identify which benefits would be of most value to employees on low-pay and to understand what constituted good practice in this area.

We held a kick off meeting with representatives from Amey's reward and wellbeing teams to go through the Good Work for All action plan, gather information on Amey's low-paid workforce and plan actions going forward. Issues included a high cost of absence, one third of which was attributed to mental health difficulties, 74% male workforce, disparate sites and a range of shift patterns, low digital connectivity and low uptake of existing in-work benefits among lowest-paid staff.

A review of Amey's in-work benefits offer and communication plan to reach low-paid colleagues identified:

- a need to demonstrate through peer examples savings colleagues were making on day-to-day living costs
- a need to better publicise the employee assistance and support in language staff would recognise and understand, 'free, confidential counselling' is clearer than 'EAP' or 'employee assistance programme'
- a need to better publicise reimbursement of optician fees and how to claim this

⁵ Carey, H; Sheldon, H and Andriescu, M (2018) *Improving fringe benefit schemes for low earners*, The Work Foundation; London





- potential to introduce financial support, including low-cost loans for employees to consolidate debt and move from borrowers to savers
- potential to offer free annual healthcare screenings and dental fee support alongside other existing health and wellbeing initiatives
- a need to review work conditions, including offering paid breaks and support with work costs such as travel and food and drink while on site.
- issues with staff on minimum wage not being able to access the full range of benefits because the cost of taking many of these up would bring their earnings below the minimum wage.

Focus groups with employees were run in conjunction with Amey's wellbeing team, which had already planned focus groups with a suitable employee cohort. Business in the Community provided questions and a member of our team to support with the first of two focus groups with staff at a construction site in Sheffield.

Overall findings were:

- Employees had good awareness of the Amey Choices benefits and mentioned that the Christmas competition to win prizes is a great addition, especially to raise awareness. Employees did not recognise the term EAP, but when explained and named in full as the employee assistance programme, more employees said they were aware of the service.
- Benefits that suited everyone include the option to buy more holiday, length of service, job sharing. On-site operatives do not currently have access to flexible working.
- Areas to improve:
 - Equalise pay across contract and offer sick pay from day one
 - Offer health check ups to ensure fitness for work
 - Offer flexible hours to all workers
 - Listen to workers more and give recognition for work well done
 - Provide better equipment to do the job
 - Review shift patterns and timetable
 - Tailor uniform requirements to task and environment
- Most effective ways of communicating internally at Amey:
 - *"Cascade down verbally via team briefings."*
 - *"What's not working is the overcrowded noticeboards which just becomes a blur and lacks interest."*
 - *"Don't send anything to home again."*
 - *"Do staff briefings at beginning of shifts"*

Business in the Community also invited Amey's Group HR and Communications Director to attend our BITC Financial Wellbeing HR Directors' Dinner, hosted by Salary Finance in July 2018. This was an opportunity for delegates to hear from Baroness Ros Altman, CBE - Investment & Pensions Expert and Former Minister of State and hosts Salary Finance about their salary-linked financial wellbeing benefits offer. Delegates were also introduced to Business in the Community's Good Work for All programme.





The event formed part of Amey's information gathering into including financial support as part of their benefits package and Amey is due to roll out a financial wellbeing offer in 2019.

Recommendations and next steps

Business in the Community made a range of recommendations based on this feedback for Amey to implement from 28 January 2019 when their new benefits window opens. These include:

Benefits changes:

- Introduce financial support, including low-cost loans for employees to consolidate debt and move from borrowers to savers.
- Offer free annual healthcare screenings and dental fee support alongside other existing health and wellbeing initiatives.
- Offer paid breaks and sick leave and consider how best to support with work costs such as travel and food and drink while on site.
- Review shift patterns with input from teams and pilot offering flexible working to non-office based employees.
- Better publicise mental health and wellbeing benefits such as the employee assistance programme and reimbursement of optician fees, using language staff recognise and understand, alongside promotion of other benefits offered.

Communication changes:

- Stop sending communications to employees' home addresses and highlight benefits information through shift meetings and peer-to-peer communication instead.
- Create employee stories showing savings peers have made on day-to-day costs through Save with Amey.
- Offer regular opportunities for teams to feed back to Amey face-to-face on work conditions and well-being issues.
- Feed back to teams to demonstrate they are being listened to and their suggestions are being acted on where practical.

Amey has also committed to introducing new and improved benefits throughout the year as they become available rather than waiting until the following year to introduce these.

In response to the issue of staff on minimum wage not being able to access some benefits the company is considering the cost and return on investment of providing a salary uplift to all affected workers to enable them to take up these benefits if desired.

Lessons learned

- Senior stakeholder involvement from the beginning of the project is crucial. Much of the work on this project was handled at an operational level and more visible support from above would have been an advantage.





- Pressures on operational staff time can lead to delays and a stop-start nature to the project. Gaining clear commitment from the organisation to dedicate staff time to making changes would improve this.
- Involving front-line employees and particularly those working on client sites and in shifts is crucial to understanding what benefits they value and how best to communicate with them.

Company: Heathrow Airport Limited

Project dates: April 2018 to January 2019

Project focus: Good Work for All – influencing Team Heathrow companies

In working towards the Heathrow 2.0 flagship goal of making the airport a great place to work, Heathrow Employment & Skills Academy continues to help businesses faced with the challenge of recruiting and retaining local residents for careers at the airport. Candidate feedback highlights pay and shift patterns as factors, while businesses are experiencing challenges to attract candidates and stabilise turnover.

Building on the success of the work of Heathrow Employment and Skill Academy to recruit and support a diverse workforce from its local communities and as a Living Wage employer, Heathrow is in a strong position to lead by example and encourage its suppliers and businesses based at the airport to do the same.

The purpose of this project was to leverage Heathrow Employment and Skills Academy's knowledge of recruitment and retention and their influence to help Team Heathrow businesses create and/or fill more attractive, competitively paid jobs or careers.

The project set out to work in three stages to:

1. Identify the business challenges distinct to Team Heathrow or employers at Heathrow
2. Build a bespoke business case for Team Heathrow businesses to attract and maintain talent
3. Co-create a communications and engagement plan for those business to make Heathrow a great place to work

Our initial scope of the project had to be reviewed slightly to align with Heathrow's 2.0 strategy and the work of the independent Heathrow Skills Taskforce, to ensure the pilot reflected and could build on the progress made by Heathrow.

Business in the Community is supporting Heathrow with its response to the Skills Taskforce recommendations and working to ensure it can use its influence to drive the continued creation of good work that is competitive in the market and attractive to candidates. Our findings from stage 1 have been shared with Heathrow and we plan to continue to work with Heathrow up to 2020 on stages 2 and 3.

Activity and engagement

Business in the Community's discussions with Heathrow Employment & Skills Academy identified challenges with recruiting local residents into jobs at the airport, with candidate feedback highlighting pay and shift patterns as concerns in some areas, and high attrition/turnover rates for some key roles.

The academy recognised the need for a continued leadership position and compelling narrative and business case to present to key Team Heathrow employers who are not in Heathrow direct supply chain,





which could be delivered in a way that inspired businesses and helped them take action to improve their practices, with a focus on improving the lives of their employees.

We held a kick-off meeting at Heathrow Employment & Skills Academy with stakeholders responsible for partnerships, training and development, community engagement, employer account management, recruitment, and data and communication. Using the Good Work for All action plan we discussed the different elements of good work and how these applied to businesses on site at Heathrow. We looked at barriers to, and drivers for change and identified companies that could be interviewed to provide a clear picture of these in the Heathrow context.

A review of existing data found:

- Hourly rates for roles paying less than London Living Wage did not compare favourably with equivalent jobs in Central London (for those employers not in direct supply chain)
- Taking out the apprentice roles, only 37% of 200 roles analysed paid the London Living Wage as set by the Living Wage Foundation
- Sectors with the largest number of roles were retail, hospitality and construction
- Most of the roles are offered full time with only 8% of roles advertised as part time
- There is a clear pay gap between full and part time roles
- Shifts at Heathrow tended to have earlier starts and later finishes than those in Central London
- Heathrow had additional barriers to work in order to maintain aviation security standards, all terms of the security clearance employees had to go through to work at the airport.

Data that could help to make the business case for good work that isn't currently collected includes:

- time to recruit to roles by sector and employer
- data on why applicants chose not to continue with application/job offer at Heathrow
- candidate feedback on why they had chosen to work at Heathrow
- the percentage of candidates moving between roles at Heathrow as opposed to moving off site.

We also conducted interviews with five Team Heathrow businesses from sectors including, catering, financial services and entertainment to help shape the recommendations.

Recommendations and next steps

The following recommendations came out of the project and related discussions and the first two also formed a part of a discussion paper on how Business in the Community could support Heathrow with implementing recommendations from its Skills Taskforce.

- Use the framework and methodology from Good Work for All, alongside insight developed during the current project, to engage several Team Heathrow businesses as forerunners piloting Good Work recommendations, such as paying the London Living Wage, offering more flexible working and creating better progression pathways.





- Create a Heathrow-specific business case for change, with return on investment information, to support the development of a set of minimum standards for all jobs at Heathrow that can be built into contracting requirements.
- Collect data on people leaving jobs from Team Heathrow companies to understand whether they are taking up other opportunities at Heathrow or moving elsewhere to build the case for improved conditions in some Team Heathrow companies.
- Pilot family-friendly shifts and team-based flexible working in one or two Team Heathrow businesses to gather evidence for more widespread adoption.
- Use evidence gathered through pilots and this project to run workshops with stakeholders across Heathrow focused on sharing good practice and co-creating a communications and engagement plan to promote Good Work for All practices across the airport and beyond.

Lessons learned

- Only through talking directly to employers and sharing workforce data is it possible to build a shared understanding of the importance of, and business case for changes to employment practices.
- Ensuring information gathering and information dissemination reach people at the right level of seniority in organisations is crucial to influencing business change.
- Individuals within a business may be moved by the social case for change but it is return on investment information and a clear business case that will help them to make the case across their business.
- Employers value the effort that organisations like Heathrow Employment & Skills Academy make to diversify recruitment pipelines, prepare candidates for working at Heathrow and keep employers abreast of wider workforce and recruitment issues and trends.
- Influencing the influencers requires flexibility to changing timeframes and priorities, setting realistic expectations at the beginning of a project and keeping lines of communication open throughout.

Overall learnings from the programme

Engaging businesses

The political landscape and narrative on good work has changed dramatically in the four years since our work on Beyond Pay and rapidly in the last two years with the rise of the gig economy and the publication of Matthew Taylor's *Good Work: A Review of Modern Working Practices*.

Pay stagnation and low productivity, businesses outside the gig economy increasingly seeking to engage their workforce and improve retention, looming changes to immigration laws under Brexit, record employment levels and an ageing workforce are also driving business competition for existing talent and the need to attract new talent.



Businesses approach these challenges in different ways. Some will take more ad hoc and opportunistic approaches while others have detailed strategies and plans they are working to. Many businesses in low paying sectors have limited resources even to manage business as usual, particularly given the pressure they are under from clients to drive down costs, so developing a strategy to improve the quality of work is seen as “nice to have” rather than a business priority. And even where it is recognised as a priority, there is rarely budget to make the most meaningful changes.

Whatever their approach, businesses and the individuals within them have their own priorities that they're working to, so engaging them is a matter of not only understanding and responding to their challenges and priorities, it is predominantly a matter of timing.

We have observed first hand through this project that it is not until business priorities and activities align with outside initiatives that resources will become dedicated to taking action.

Through our experience engaging businesses on employment issues, Business in the Community recognises five stages that businesses go through.



Once you have initial contact and engagement from within the business on an issue, in our experience, there is often a long period of information gathering and internal influencing before a business is ready to dedicate resources to do the necessary preparation for taking action. This includes ensuring the buy-in of internal business stakeholders at a level of seniority that can allocate resources and prioritise the project. In the Good Work for All project it took an average of six months from an initial project proposal to agreement to go ahead with the project. Time-bound offers with funding attached helped to drive agreement and set a start date.

Once employers moved into preparation stage they usually had senior stakeholder buy-in and wanted to quickly see action and results follow. Between each stage there is a danger that momentum will be lost and resources moved off the project to meet other priorities. Organisations aiming to drive business action and change need a clear project management approach, regular scheduled meetings and planned touchpoints with senior stakeholders to be booked in from the start of the project in order to retain momentum throughout.



Personnel changes within the businesses during the course of the project are also a cause of setbacks. In several of the pilot projects, individuals who were assigned to the project changed roles or moved out of the business. This meant that time spent building relationships was lost and time was also lost while a replacement for the individual was found and new individuals settled into their roles before they could be familiarised with the project. Relationships built over months needed to be built again.

Building on the Good Work for All model and action plan

The Good Work for All model and action plan was well-received among employers and wider stakeholders. Feedback we received on the three areas for action highlighted that while 'fair pay and benefits' and 'skills and development' were clear, security and structure caused some confusion. Business in the Community will consider changing the title to 'job security and design' to better signal the points for action covered within this section.

Like many of the good work standards and charters emerging, the model does have a long list of things for employers to do under each section and we recognise the need for a way to help employers prioritise the changes that would have the most impact on low-paid workers within their business. Our process for doing this through the pilots was a pragmatic one, choosing either an area that an organisation was already working on and required support with or an area where they did not have work going on that constituted a gap in their planned interventions.

A tool that would help them benchmark what they were doing against others and highlight areas to prioritise could prove powerful.

Two areas of the model where we feel there is great need and considerable appetite among employers are in-work benefits and in-work progression. We are currently scoping how to better communicate the action points within these that would constitute a minimum 'good' standard and the action points that would act as a point of differentiation for a business over and above what would be considered good practice.

Additional outcomes

Several of the pilot project organisations are continuing their good work journey beyond the scope of this programme and Business in the Community aims to continue to offer support, act as a critical friend and measure impact, with a particular focus on the lowest-paid workers who are most likely to be experiencing in-work poverty.

The Good Work for All programme has afforded us the opportunity to feed into local, regional and national policy discussions and become part of the growing ecosystem of organisations supporting





good or fair work across the UK. Our colleagues in Scotland, Wales and Northern Ireland are using it to feed into their Governments' fair work agendas.

Joseph Rowntree Foundation, Learning and Work, The Big Trust in Liverpool and the Welsh Chamber of Commerce have promoted Good Work for All with businesses through their websites, publications and events. It was featured at the Employment and Skills Convention 2018, Fabian Society Workshop on progression for young retail workers and the Fair Work: A Route Out of Poverty conference in Cardiff.

Recommendations from the programme

Our experience and learning from the programme has informed the following recommendations.

For funders and commissioners

- **Time required to complete projects** – 12 to 18 months is too short a period to engage businesses, gather information necessary to inform change, implement a project and measure outcomes. We recommend that funders designing projects intended to report back on the outcomes of change within businesses are run over a minimum of two years.
- **Flexibility** – Working with businesses requires an alignment of project objectives with business objectives and is subject to changes to key personnel, changes to business priorities and moveable timescales. An understanding of these factors and willingness to be flexible in terms of deliverables, timescales and success measures is needed to give delivery partners the confidence to tackle difficult issue areas, try new approaches and learn as they go.

For organisations delivering 'good work' projects with businesses

- **Project set up** – Before undertaking our pilot projects Business in the Community spent a considerable amount of time understanding the business environment, key personnel, priorities and challenges. We recommend that organisations undertaking projects with businesses build in time for scoping the project and setting parameters with the business, set out clear responsibilities and time commitments from each party and ensure they have the senior-level buy in through a face-to-face meeting, phone or video conference before starting the project.
- **Delivery partnerships** – Working with expert partners Timewise has been highly successful and Business in the Community recommends we develop further partnerships with organisations such as the Living Wage Foundation and The Work Foundation to support us in delivering projects that require an extra level of expertise.



- **In-house project management** - We recommend organisations undertaking similar projects insist the companies they work with allocate a named person in-house to be the main point of contact on the project, offering an outline of the role/tasks this person will need to support with and a time estimate for their involvement.
- **Involvement of employees affected** – Access to employees and managers that would be affected by any proposed change was essential for the pilot projects undertaken as part of this programme. We recommend that any projects with proposed changes that will affect employees consult with employees at the earliest opportunity in an environment of openness and honesty.
- **Desire to learn from other businesses** – All of the businesses we worked with were keen to learn from good practice from other businesses and to be seen as leaders within their sectors and among their clients. We recommend an element of peer learning or knowledge sharing in all projects undertaken with employers in order to ensure the project has a high value for them.

For employers

- **Getting the basics right** – Interventions such as in-work benefits, employee assistance programmes and wellbeing initiatives can be seen by employees as a way to address the symptoms of 'bad' work rather than a genuine attempt to offer 'good' work. This is particularly the case for low-paid, outsourced roles where employees have little contact with the employing organisation. Before implementing good work interventions we recommend employers ensure they are getting the basics right, such as payment of the correct wage or salary, on time; ensuring employees have the right physical environment, tools and training to do the job; clarity on contracts, including sickness and holiday pay; and being treated with respect and dignity at work.
- **Involvement of employees affected** – Access to employees and managers that would be affected by any proposed change was essential for the pilot projects undertaken as part of this programme. We recommend that any projects with proposed changes that will affect employees consult with employees at the earliest opportunity in an environment of openness and honesty.
- **Senior leadership** – The Good Work for All framework underlines the importance of senior leadership as an enabler. We recommend businesses looking to implement changes in their business secure the backing of a senior stakeholder before further pursuing the project.
- **Independent project management and co-ordination** – Our experience shows that employers benefit from having an independent organisation bringing an outside perspective, acting as a critical friend and providing an independent listening ear for

employees or other businesses in their supply chain. We recommend businesses seeking to implement workforce change engage with an independent partner to support them with this.

- **In-house co-ordination and management** – The projects undertaken as part of the Good Work for All programme would not have been possible without the support of operational staff within the pilot project organisations. This role is crucial for ensuring project team access to information, individuals and resources.

For policymakers

- **Enforcement of existing laws** – Through a number of discussions with businesses, employees and sector organisations during the Good Work for All programme, we have been aware of the role that government needs to play in raising the quality of jobs alongside the rate of employment. The commitments made as part of the Industrial Strategy, the UK Government's Good Work Plan, the Scottish Government's Fair Work Action Plan and the Welsh Assembly's focus on fair work provide a good direction for the future. However, many of the mechanisms for policy-makers to drive work quality are already in place. More resource needs to be dedicated to investigating compliance and enforcing existing employment laws such as ensuring individuals are correctly categorised as employees, workers or self-employed and enforcing payment of the National Minimum Wage.
- **Using the power of procurement** – Section 106 rules and the Social Value Act can be powerful drivers for change within businesses. More can be done through Government contracts to strengthen quality criteria and set requirements such as payment of the Living Wage Foundation wage, meeting recruitment criteria to offer opportunities to excluded or vulnerable groups, and/or ensuring training and progression are part of contractor employment offers.
- **Setting good work standards** – A number of local authorities and combined authorities are in the process of creating good work standards or charters. We recommend that these be created in conjunction with employers so that they are realistic while also pushing for excellence. Defining minimum 'good' standards for employers to meet while setting higher standards to strive for is likely to be the right approach for achieving 'good work'. Consideration should be given to how to ensure the right criteria are chosen, the standards are simple yet robust and employers are motivated to be part of these. For national employers having completely different sets of local, regional and national standards will not work so co-ordination is required to take account of local needs while achieving consistency wherever possible.