

The Mayor of London's Good Work Standard – A call for evidence

Submission to the Mayor of London

Chartered Institute of Personnel and Development (CIPD)

September 2017

Background

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has over 140,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Our membership base is wide, with 60% of our members working in private sector services and manufacturing, 33% working in the public sector and 7% in the not-for-profit sector. In addition, 76% of the FTSE 100 companies have CIPD members at director level.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

Our response

Question 1: Are there any other goals we should consider, which are related to work and employment specifically?

The CIPD welcomes the Mayor of London's focus on making work better for those living and working in London and we agree with the goals set out in Figure 1 of the call for evidence. There could, however, be focus on improved corporate governance, which ensures that decisions are taken for longer-term benefit to all stakeholders – including employees and society more generally – so that an organisation's success is based on more than simply financial measures taken into consideration (particularly when it comes to rewarding senior executives).

The standard of people management – particularly of line managers – within organisations (of all sizes) should also be a focus of the good work standard. Rather than as standalone 'goal' of itself, however, we believe that effective line management should be articulated as a thread that runs through every aspect of the goals/areas such as health and well-being, work-life balance etc. – i.e. the quality of line management is key to promoting the different dimensions of 'good work', through line managers' consistent and fair implementation of people management policies, their control of workloads and deadlines, through the open and supportive relationships they have with their teams and their ability to have difficult conversations and spot the early warning signs of stress.

Other suggestions that could be included as goals are stability and security of work (for example, proportion of contingent workforce and/or quality of work for that type of worker compared to employees), and fulfilment/job satisfaction (some sort of subjective measure of work quality as we know objective measures could be valued differently by different workers).

Question 2: What can we do to ensure that the Good Work Standard helps to extend social mobility, and supports people working in occupations where low pay, poor progression and other poor workplace practices are more commonly found?

As part of the Good Work Standard there could be a requirement for employers to sign up to employer-school partnerships (perhaps through Team London and/or the Careers and Enterprise Company) that provides young people with information about possible careers or work experience placements or internships. This should, however, be supplemented



*Championing better
work and working lives*

with a commitment to fair recruitment (perhaps through name-blind recruitment) and require all internships to be paid.

It should be noted, however, that some low-pay industries paying the London Living Wage will prove impossible without worsening other employment conditions (e.g. care/retail). In some cases, holding the standard may be means of attracting more revenue (e.g. those holding the standard could notify customers on their restaurant, hotel or service bill).

Question 3: What standards should employers meet to ensure fair treatment and excellent working conditions for their workforce?

As a starting point, organisations should protect and enforce existing employment rights and ensure that individuals know the protections they are entitled to and can seek redress where these are abused. London has a flexible labour market which works well and generally strikes the right balance between providing flexibility for employers and job opportunities and security for individuals, but there are some businesses that are not giving workers the rights to which they are entitled.

The CIPD does raise questions about how the Good Work Standard will fit in with other standards, such as those developed by the BSI (which the CIPD works very closely with) and Investors in People (IIP).

We are also in the process of developing a Job Quality framework with the University of Warwick, the Carnegie Trust and Matthew Taylor in which we are identifying those factors and standards to which employers should pay attention. We are happy to share this work with the Mayor's office once it is completed.

Overall, employers should provide 'good work' and focus on the features of jobs that make it a favourable experience for workers, that have been linked to positive health and well-being outcomes for employees and also those that boost productivity. These should include the goals set out in the Mayor's standard and also take into account the extent of control and autonomy and task discretion that workers have, skills acquisition and utilisation, strong working relationships and trust.

Question 5: What other evidence is there that could be used to communicate the business case behind the Good Work Standard's goals to employers?

There is some evidence of link between 'good work' and employee outcomes like reduced absence, better engagement and retention. Therefore, in the view of the CIPD, if employers are to be motivated to act on the business case then it needs to:

- be multi-faceted and grounded in evidence
- be flexible and built on the understanding that different levers will need to be developed to motivate different employers to take action
- be communicated in such a way that it is perceived by employers of all sizes and capability (e.g. if they have no HR or D&I expertise) to be achievable
- spell out the risks of not acting as well as the potential and tangible benefits of taking action
- highlight good practice and link to practical 'how to' advice, using employers in a 'story-telling' approach to make the case to other employers, thereby creating momentum
- be communicated in a consistent, inspiring and high-profile way using the range of trusted stakeholders and channels

Question 6: What learning or best practice is there that would be relevant to evaluate the Good Work Standard's success?

The CIPD's 2017 Employee Outlook provides a potential measure and methodology of job satisfaction and engagement that the Mayor's Office may wish to consider.¹

However, the measures should not be restricted to the characteristics of the jobs themselves (wages, hours, type of work) but extended to also include consideration of the degree to which the job meets the needs of the individual worker. The distinction is important because the meaning of 'good' and 'bad' jobs is not self-evident: workers' assessments of job quality vary, based on their demographic characteristics as well as their life-stage.

¹ CIPD. (2017) Employee Outlook: Spring 2017. London: Chartered Institute of Personnel and Development. Available at: <https://www.cipd.co.uk/knowledge/fundamentals/relations/engagement/employee-outlook-reports> [Accessed 18 September 2017].

Question 7: What are the challenges for employers in London in implementing the policies and goals of the Good Work Standard?

Very different challenges according to size and sector and HR capability of organisations. Providing excellent work is a worthy but aspirational goal for some, and the model could be communicated as a 'maturity model' with some aspects such as fair pay, providing the London Living Wage, complying with statutory employment rights forming the basic and universal steps that all employers should observe, with other goals such as lifelong learning and a strategic health and well-being approach taking longer for some [e.g. small and micro] to develop.

Other challenges include:

- Employers' and line managers' lack of awareness, knowledge and understanding of what constitutes good work and the positive impact it can have, i.e. the business case
- Misconceptions and unconscious bias on the part of employers and managers in relation to recruiting people from disadvantaged backgrounds, e.g. people with a long term health condition, disability, long-term unemployed, from different racial/ethnic background etc.
- Smaller organisations are more likely to lack the HR, diversity and other expertise and wider resources, compared with larger organisations; this can translate into less robust policies and practices in relation to good work in smaller workplaces.
- A 'business case' will be persuasive only if it is relevant and based on the unique needs and desired outcomes for the employer in question, including smaller employers. Case studies showcasing how smaller employers have benefited from investing in good work need to be communicated to similar-sized organisations.

Question 8: What are the most effective measures employers of all types and sizes can take to support the Good Work Standard's goals?

In the view of the CIPD, the most effective measures that employers of all types and sizes can take to support the Good Work Standard's goals include having:

- robust policies and practices in all areas of people management, including inclusive recruitment, flexible working, dignity at work, diversity and inclusion etc.
- a strong collaborative culture with visible and values-led leadership that encourage strong and trust-based working relationships

- training for line managers so that they are competent and confident to manage and support people and implement policies in a fair and consistent way
- regular career reviews to discuss career development and potential adjustments as part of a lifelong learning approach that is responsive to workers' changing circumstances and aspirations
- an holistic health and wellbeing strategy that includes health promotion and ill-health prevention activities

Question 9: What can the Mayor do to make employers more likely to sign up to the Good Work Standard's goals?

We believe the Mayor can:

- Promote the business case in a high-profile way via a multi-channel London-wide campaign that's relevant to organisations of different sizes, sectors, etc.
- Approach those organisations [usually larger employers] that are already leading the way in terms of good employment practices and are signed up to other nationally recognised awards such as Disability Confident, Time to Change, Investors in People etc.
- Use case study and encourage peer-to-peer networking and collaboration as business tends to listen to other businesses
- Extend the reach to those employers who are not already exemplars of best practice. Roundtables and similar activities risk becoming talking shops among the enlightened, achieving very little by way of expanding best practice
- Developing networks at the local level, particularly for smaller employers; the harder-to-reach SMEs tend to be more connected to local institutions. The Mayor's office could work with local authorities, Local Enterprise Partnerships, trade bodies and professional organisations, chambers of commerce and large employers to carry out targeted campaigns and provide support at a much more local level
- Require organisations governed by GLA (e.g. TfL) to apply the standard including through the supply chain

Question 10: How should the Mayor recognise employers who sign up to the Good Work Standard's goals?

The Mayor could have a dedicated website to promote the Standard and showcase employers – of all sizes and sectors – who are working towards achieving the Standard, as a way of recognising their work but also as a means to encourage other organisations to

learn from them and exchange good practice. There could also be different levels of attainment if the Standard develops into an Award scheme, and the website could emphasise the organisational benefits of investing in good work and good employment practices for all, e.g. people indicators such as reduced absence and increased retention, enhanced reputation as an employer and ability to attract skills and talent. Furthermore, if the case studies could show how some organisations have improved their ability to win contracts by providing good work then that would be a powerful motivator for other businesses.

Question 11: What role can responsible procurement play in supporting the goals of the Good Work Standard?

We support the role of procurement as a lever to encourage better practice through supply chains which could be implemented across both public and private sectors. The Mayor's office could consider the role of the public sector as an exemplar to help drive better practice and investment in the promotion of the Good Work Standard. This could be translated locally through public sector organisations' influence in communities and local businesses.

Particular efforts need to be made to reach the SME sector and encourage effective action via third party intermediaries including procurers of their goods and services, but also organisations that already have established relationships with smaller organisations, for example accountancy professional bodies such as ACCA and other bodies representing the SME sector such as chambers of commerce and the FSB.

Question 12: Are there ways in which your organisation would be able to support the Good Work Standard?

CIPD London has a membership of 22,000 HR and L&D professionals who are active through our seven branches. As experts in people at work, our members would appreciate the opportunity to assess organisations' applications for certification or recognition. Our branches would also provide an excellent forum for organisations to network and learn from one another.