

Good Employment Charter

CIPD submission to the Greater Manchester Combined Authority



Chartered Institute of Personnel and Development (CIPD)

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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 150,000 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.

General comments

CIPD is supportive of the move to build local charters and frameworks around Good/Fair work. We recognise the importance of location as a sphere of activity for improving the labour market and workplace, and have already welcomed a major initiative of Fair Work in Scotland as well as working with the authorities in Wales, London and the Birmingham City Region. For example, we are working very closely with the Mayor of London on the development of his Good Work Standard which is due for launch in December 2018.

We see the renewed focus of the UK Government on job quality and the nature of work as a positive and significant change. CIPD are convinced that Good/Fair Work will be delivered in place; that is why we see the GMCA Charter and initiatives in UK nations and regions as crucial. However as an organisation which is principles based, evidence-led and outcomes driven, we will be a challenging supporter of such initiatives given the role of our professional membership in implementation.

In order for the Charter to have its intended effect of improving people management, development and reward practices in a significant number of organisations in the Greater Manchester area it needs to be accessible to the vast majority of businesses that employ between 1 and 50 employees, as well as larger employers. A CIPD research report on the evaluation of three pilots which provided free HR support to small firms of this size in Hackney, East London, Stoke-on Trent and Glasgow over the course of one year, highlighted the very low level of people management capability in most small businesses.¹ The report exposed the typically very low level of people management knowledge and capability among most owner-managers. This signalled that the demand for HR/people management support was at an extremely basic level, with the data suggesting many small firms are struggling even to comply with some aspects of basic employment law such as ensuring that employees have written terms and conditions of employment.

If the Charter is to genuinely act to engage and catalyse a wide range of employers – particularly small employers which are both most in need of support and likely to have the least developed people management practices – then it needs to be accessible and positioned in a way that will appeal to firms with limited resources and people management capability.

One effective way of doing this is to develop a progressive Charter which is tiered to enable typically small employers to sign up to a foundation or core level, while more progressive and typically larger employers are set a higher bar.

¹ <https://www.cipd.co.uk/knowledge/strategy/hr/hr-capability-small-firms>

Our response

Do you agree that employers should be able to sign up as supporters?

As stated above, our starting position is that it would be preferable to have a tiered Charter which would enable organisations, particularly SMEs with less developed people management practices, to sign up to a basic or foundation version of the charter.

If a Charter 'supporter' status is developed there would need to be a clear reason for employers to sign up as charter supporters in terms of 'what's in it for them', otherwise it is difficult to see how this proposed element will attract employer support.

In addition, if a Charter 'supporter' category is developed, it is important that this is seen as a holding pattern and not a landing slot for the employers concerned. In signing up as a supporter they should, if the category is to have meaning and impact, be embarking on an improvement journey towards good work with a progress and action plan in place. This would mean ensuring that Charter supporters have access to free support and advice to enable them to develop their people management practices to the point they can achieve full Charter status. While the consultation document references that 'supporters' will have access to "the wide range of support available in Greater Manchester to improve employment practice" it is unclear, given the well documented evidence of the fragmentary, and most often non-specialist, business support offer, alongside difficulties/barriers to access, how this this will be achieved.

CIPD would be happy to work through our network of people and development professionals at all levels to support the commitment to the Charter, especially for SMEs where our forthcoming 'People Skills' hub will be an indispensable resource. Perhaps a time period with significant action requiring to be demonstrated towards one goal of good work within, say, a year.

CIPD would be pleased to work with the GMCA in the development of our SME 'People Skills' hub.

Do you agree or disagree with the proposal for Charter advocates?

Yes. Exemplars and champions at the centre of the GMCA Good Employment Charter will be a key part of building the brand and indeed the buzz for such an initiative, and making it part of the everyday business conversation in Greater Manchester. Those with accolades, possibly through awards or some other form of recognition, could be at the forefront of championing good work in Manchester. However, we believe that it would develop real engagement, visibility and profile for these ambassadors to be selected from varying sectors and different sizes and type

of organisation so that everyone can see advocates for good work they can relate and aspire to.

Do you think employers who cannot fulfil a certain stage should be award member status?

CIPD believes member status should be evidenced by a significant commitment to Good/Fair Work along the key dimensions identified, demonstrating a basic compliance with principle and practice of the Charter. There may be cases whereby an employer working in, say, the care sector, who is subject to contracting criteria which make it difficult to pay the NLW for example, could be given more time. That would raise other issues within the system which are holding back pay in these vital sectors and making it difficult to recruit and retain. There are other sectors where profitability is severely challenged and competition precludes price increases. However, CIPD is convinced that by being focused on Good/Fair Work and improving all of the dimensions set out organisations have a much better change of fulfilling the standard.

Where accreditations are not available, or they are difficult for employers to sign up for, how can we assess excellent practice in ways which are simple and robust?

CIPD is not convinced that a single framework would be helpful in building the engagement and momentum required for the Good Employment Charter. Many organisations will already be committed to certain frameworks and, particularly for the difficult-to-reach employers, these may prove to be a difficult ask. We would suggest that the focus should be on continuous improvement and forward progress, with some agreed well defined criteria for what good looks like.

Do you agree that the Charter should be linked with procurement through the Social Value Framework (SVF)?

The use of Social Value Frameworks and procurement processes is certainly an avenue of influence which the Mayor's office, working with other public bodies, can bring to bear. Such approaches are often used in UK devolved nations to promote good and ethical business practice and to lift ambition and impact of the SME sector. CIPD isn't involved directly, but HR professionals are often involved in bid teams around procurement. CIPD would ask that as businesses face the current environment we seek to make policies as transparent and accessible as possible for all levels of business, and they do not become a barrier for businesses which may be on an improvement journey but do not have all of the resources to comply. However we would caution against public procurement, as currently configured, as a panacea, given an environment where quality on any level is often compromised by a focus on costs given the constrained resources available to public bodies. The authority should also be aware of the gaming and subterfuge which can occur with contracts bid for on a quality basis then subsequently subcontracted down the supply chain.

Real social value can only be delivered when quality, cost and customer focus are allied with progressive employment. In our view there is a major role for the mayor and City region in ensuring that this becomes more of a focus. CIPD's network of HR professionals can work with our fellow professionals in procurement towards that objective.

What would be the best way of measuring the benefits for employers and employees of signing up to the Charter?

CIPD is very supportive of initiatives aimed at measuring the impact of good work. The UK Government, in the wake of the Taylor Review of modern employment practices, is examining robust and reliable measures of job quality which we support. This is an area where much work has been done, although there is as yet no proven and generally accepted approach. As the professional body for people management and development CIPD has developed a strong body of policy and research which provides insight into the world of work. For a number of years we have been developing our job quality approach which measures through a large scale sample conducted by YouGov seven key dimensions of jobs quality. Furthermore, we have conducted multivariate analysis to isolate the key factors driving job quality. We circulate the survey with additional thematic questions an annual basis and it provides the basis for our commentary on progress towards job quality. In terms of the Good/Fair Work objectives we think that our measurement approach captures most of these. We would suggest as a first option that the first three categories set out are very well captured within our UK Working Lives research.² The catch-all category of excellent people management practice would be facilitated through many of our seven dimensions, although the more detailed issue around disability and recruitment would require additional work and alignment around our surveys on skills and wellbeing.

Finally CIPD is supportive of the thrust and direction of the GMCA Charter and our network of engaged members at all levels of the people management profession have a key role to play in ensuring not only that word gets out to our large membership in the region, many of whom are the practitioners who can pull the levers of influence and play a real role in the implementation of practical good work policies.

² <https://www.cipd.co.uk/knowledge/work/trends/uk-working-lives>

CIPD perspective on the proposed dimensions

General comments

Creating an accessible taxonomy which clearly sets out the different areas of people management and development practices employers need to develop in order to qualify for the Good Employment Charter is challenging.

One of the particular problems is avoiding duplication to ensure the standard is user-friendly for employers. In our view the below six categories, while broadly covering the correct areas of people management practices, are too vague and overlapping.

For example, 'excellent people management practices' underpin everything called out in other areas of the Charter such as flexible working, workforce engagement and health and wellbeing.

It makes more sense to integrate excellent people management practices in the other sections rather than call it out as a separate, standalone section. If the Charter sets out to employers how they should develop more flexible working opportunities for employees, then it will need to outline the key role of people managers in making this happen.

In our view a useful framework for setting out the different aspects of people management in a way that will resonate with employers is the AMO model. This stands for:

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| Ability | the skills and capabilities people need to get in and on at work; this would include all training and development practices as well as some aspects of line management, including coaching and mentoring. |
| Motivation | the factors that support employee motivation, wellbeing and voice, including core people management capabilities, reward practices and employee wellbeing and health and safety. This would also include issues around appropriate use of contract type to ensure that atypical working practices are used appropriately and based on individual choice. |
| Opportunity | the factors that support inclusion and progression, including recruitment practices and practices that support diversity and inclusion, such as flexible working, and policies around flexible working, childcare and maternity, paternity and shared parental leave. |

Taken as a framework for action with CIPD's Job Quality Indicators this provides a simplified and consistent method of developing good work and good employment.

Proposed elements of the Charter

In this section we appraise the proposed elements and provide evidence and guidance which inform how these can be best achieved.

1: A real Living Wage so that an employee can achieve a decent living standard

In our view the living wage is a pivotal component of Good/Fair Work and our UK Working Lives Survey shows that satisfaction with pay is strongly correlated with access to the Real Living Wage (RLW). That said, for a range of employers that could be a challenging standard to aspire to given the nature of their businesses and cost base. CIPD's view is that every employer in GMCA should aspire to the Real Living Wage but that we should recognise that there will be differing paths to progress. Building towards the RLW is a stretch for many given the need to comply with a higher National Living Wage, so recognition of the real life business conditions and progress on other aspects of Good/Fair Work need to be taken into account before the Charter prescribes the RLW.

2: Flexible working for those who need it, such as employees with caring responsibilities, but security for those who are working regular hours

Flexible working is central to CIPD's approach to creating more inclusive and fulfilling workplaces as it is an enabler of many agendas, such as accommodating an ageing workforce, promoting greater gender diversity, wellbeing and many other dimensions of Good/Fair work. Our Chief Executive, Peter Cheese, is a Co-Chair of the Government's Flexible Working Taskforce alongside the Department of Business, Energy and Industrial Strategy, and we are prioritising flexibility through our membership policy engagement strategy in the North West, working with Timewise.

The Flexible Working Taskforce has created a definitive business case for flexible working, highlighting the broad range of reasons why it is in employers' interests to create more flexible working opportunities.

Understanding the business case is key to business owners and leaders regarding flexible working as a strategic issue which is critical to the effective recruitment and retention of a more diverse and resilient workforce.

We have recruited a number of 'Flexible Working Champions' who are working with their organisations to increase the prevalence and uptake of different forms of flexible working and are also conducting action research with members of this group which will be used to update and refresh our guidance to employers.

Key issues include the need for employers to think about job design and to advertise jobs as flexible wherever possible. Line managers need to understand how to manage flexible and remote workers effectively, for example, through ensuring that there is a focus on outcomes in their approach to performance management.

We have also produced a factsheet for members on flexible working:

<https://www.cipd.co.uk/knowledge/fundamentals/relations/flexible-working/factsheet>

3. Workforce engagement and voice in the workplace, so that employees can wherever possible shape their own roles and the direction of the organisation, being able to engage through the independent collective voice of the workforce, with facilitated trade union activity and formally recognised unions where possible.

Employee engagement is central to CIPD's vision of building better and more productive workplace. We work in partnership with Engage for Success to build the enjoyment capability of employer and our research and insight tracks engagement and its related issues of wellbeing and resilience.

Business leaders need to understand their role in leading by example and treating people with trust and respect if they are to create working cultures where their people want to and are able to work to their full potential. Evidence from the research report *Engaging for success* identifies the four key enablers of employee engagement as:³

- Clarity over the purpose of the organisation – everybody in the business understands the purpose of the organisation and buys into it
- Integrity – clear values are established which genuinely steer the behaviours of leaders and managers in the business
- Voice – people at all levels are able to raise their ideas or concerns because they feel their voice matters and is respected
- Managers and supervisors who know how to manage people properly

Employee voice

Establishing mechanisms for having regular dialogue in the workplace is a key part of treating people as valued employees in the employment relationship and helping them to feel engaged with the organisation's purpose and goals. Effective two-way dialogue helps to build trust-based relationships and can contribute to the success of the organisation. People are more likely to show commitment and loyalty to the organisation and their work if they are provided with information about its purpose and operations and are consulted over changes to work organisation. There are many different mechanisms whereby the organisation and its managers can inform and consult employees. These can be individual or collective, and it's good practice to use both.

They can take a direct form and include:

³ <https://engageforsuccess.org/wp-content/uploads/2015/08/file52215.pdf>

- Staff suggestion schemes
- Team meetings
- One to one meetings or catch-ups
- Employee engagement or staff attitude surveys
- Town hall meetings
- Social media channels
- Working or project groups

The can also take an indirect form and include third party representation by representatives on behalf of the workforce, such as:

- Joint consultation – which can involve union and or non-union representatives
- Employee forums – a group of non-union or a mix of union and non-union employees meeting with management to share information or for consultation purposes
- Collective representation – typically carried out by management and union representatives, although non-union representatives can also be involved and this can involve negotiation over terms and conditions such as pay

For information about:

How to develop a workforce policy on employee voice and how to set up a range of mechanisms for effective workforce dialogue, visit the CIPD factsheet on employee voice at:

<https://www.cipd.co.uk/knowledge/fundamentals/relations/communication/voice-factsheet>

The information that should be communicated, the legal aspects of consultation and methods of communication visit Acas at:

<http://www.acas.org.uk/index.aspx?articleid=663>

<p><i>4: Excellent people management practices, including valuing older workers and managing pregnancy and maternity in the workplace</i></p>
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The starting point for good people management is the fundamental duty of mutual trust and respect between employer and employee incorporated in all contracts of employment. For managers this essentially means listening to staff, consulting with them on changes that affect them, responding to grievances and generally treating them in a fair and reasonable manner.

Managers also have a duty to take all steps which are reasonably possible to ensure the health, safety and wellbeing of their team members. A manager's core duty of care includes checking on the wellbeing of staff, for example, keeping in touch with team members who are off sick, making sure no one is working excessive hours, and protecting staff from bullying, harassment or discrimination.

Employers should ensure that anyone who manages one or more people in the business is provided with the information, advice and training to enable them to develop the core capability to manage people properly.

CIPD research has identified the key behaviours of line managers that support trust-based working relationships and encourage people to go the extra mile for the business while managing and preventing stress:

- **Open, fair and consistent:** Managers should ensure they manage people with integrity and consistency, managing their emotions and taking a positive approach in interpersonal interactions
- **Handle conflict and problems:** Managers should be proactive in dealing with employee conflicts (including bullying and abuse) and using appropriate organisational resources
- **Knowledge, clarity and guidance:** Managers should communicate effectively and provide clear objectives as well as advice, guidance and feedback when required, demonstrating understanding of people's roles
- **Building and sustaining relationships:** Managers should use empathy and consideration to get to know and build trust with the individuals in their team,
- **Supporting development:** Managers should help people's development by supporting individuals' learning at work and their career progression

Managers can develop the core knowledge and skills they need to manage people by taking part in a free online training course developed by the CIPD and Future Learn. Individuals participating in the course benefit from a six week interactive, modular course providing three hours of learning per week, with the option to receive a certificate of accreditation at its completion.

<https://www.futurelearn.com/courses/people-management-skills>

5: A productive and healthy workplace, including adjustments for people with long-term conditions and disabilities and support for better mental health

CIPD is committed to employee wellbeing with a focus on supporting better mental health, supporting people with chronic conditions such as cancer, and helping to build a fitter and healthier workplace.

We also focus on issues which are less easy to measure but nonetheless contribute to poor health and well-being such as presenteeism and leavism. We see health and wellbeing as the biggest predictor of good work within our jobs quality index.

All employers have a fundamental duty of care towards their workforce, incorporating both their physical and mental wellbeing. Employers need to risk assess for risks to their workers including for stress at work and take action to prevent such risks where they are identified. For more information, see: <http://www.hse.gov.uk/simple-health-safety/index.htm>

As highlighted above, people managers also have a core role in ensuring employers meet their duty of care to all staff through how they manage and support them on a day-to-day basis. Attempts to support employee wellbeing will be critically undermined if line managers and supervisors are not trained to manage people properly.

Employers also need to be aware of their role more broadly in managing and supporting mental health at work. CIPD has developed a joint guide with Mind that sets out employers responsibilities in this respect. See:

https://www.cipd.co.uk/Images/mental-health-at-work-1_tcm18-10567.pdf

CIPD research finds that the use of return to work interviews by managers is rated as the most effective way of reducing both short-term and long-term employee absence.

The most effective intervention for managing long-term absence, behind the use of return to work interviews is access to occupational health services. See:

https://www.cipd.co.uk/Images/absence-management_2015_tcm18-11267.pdf

One of the challenges around supporting health and wellbeing in the workplace is how to help rehabilitate employees coming back to work after they have been off work with serious or long-term health conditions. CIPD guidance highlights the key behaviours of line managers in supporting effective rehabilitation:

<https://www.cipd.co.uk/knowledge/fundamentals/reasons/absence/return-to-work-guide>

CIPD has also in partnership with Macmillan developed *Managing cancer in the workplace; an employer's guide to supporting staff affected by cancer*.

<https://www.workingwithcancer.co.uk/wp-content/uploads/2013/03/MAC12891Managingcancerinworkplacee0320131022.pdf>

6: Excellent recruitment practices and progression in the workplace, including through engagement with schools, well-paid apprenticeships, transparent and open recruitment and skills development for employees.

CIPD is an active and engaged partner with organisations in improving outcomes for young people and in promoting openness to diversity. We work with Founders for Schools across the UK to help our members support young people and their teachers in career choice and skills development. The CIPD is responsible for helping recruit a large proportion of the Careers and Enterprise Company's Enterprise Advisers – drawing on our membership – who help advise schools on increasing engagement with local employers.

CIPD's People Skills pilots have demonstrated that before being in a position to undertake more progressive workforce development practices (such as apprenticeships, training and development plans and work experience), small business need to get the basics in place first. This means having proper job

descriptions and person specifications in place, which clearly set out the main purpose of the jobs, the main tasks involved, how the role fits into the wider business, alongside an outline of any other duties and responsibilities. This can then help support recruitment strategies and performance management plans. The CIPD and ACAS provide useful advice and how to write job descriptions and person specifications:

- <http://www.acas.org.uk/index.aspx?articleid=1392>
- <https://www.cipd.co.uk/knowledge/fundamentals/people/recruitment/factsheet#7036>

A strong performance management system is critical to support staff development and progression. Having this in place helps organisations to achieve better results, monitor and improve individual and team performance, and understand their employees and address their development needs.

Broadly, good performance management revolves around regular, effective feedback on an employee's progress towards objectives. People managers are key, ideally, they reinforce the links between organisational and individual objectives and give feedback that motivates employees, helps them improve, and holds them to account.

Managers need to be suitably skilled and supported by processes that are fit for purpose. Acas has developed some helpful advice on managing performance in small firms:

<http://www.acas.org.uk/media/pdf/n/o/Managing-performance-for-small-firms-accessible-version.pdf>

The CIPD are strong advocates of high quality apprenticeships. However, getting them right – so that they benefits both the individual as well as the business – is no easy task. Many smaller employers may struggle to find the time, and bear the costs, of engaging with schools and offering structured pathways into their organisations (through apprenticeships or internships for instance). This, again, highlights the importance of a tiered approach to the Charter.

CIPD welcomes the GMCA Good Employment Charter as a major step in putting good work in place and helping to effect change at the levels where it can have most impact. We support the broad structure proposed, the voluntary approach and the intention to create a movement and activate the aspiration for good work. We will, as an organisation, continue to support with evidence and insight and the contribution of our largest branch network and the other networks of people and development professionals we can bring to bear as the city region embarks on this exciting journey. We would be delighted to partner with the Greater Manchester Combined Authority as this initiative progresses.

CIPD

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