



Submission to Review of Employment Practices in the Modern Economy

We welcome the opportunity to make a submission to this important review. As Matthew Taylor noted in his annual lecture, more than half of people living in poverty in the UK are in working households, with one in eight workers in poverty themselves.¹

Understanding the experiences and priorities of low-paid workers is therefore crucial to ensure we have a full understanding of the problems that need to be addressed.

'Decent work for Scotland's low paid workers: a job to be done'ⁱⁱ was the culmination of a 12 month-long study examining what low paid workers prioritise in order to have 'decent work' and the extent to which the Scottish labour market is delivering these. The research, undertaken by Oxfam Scotland in partnership with the University of West of Scotland and Warwick Institute for Employment Research, was unique as it employed a mixed method approach specifically targeted at workers at the low-paid end of the labour market and with an emphasis on participation – it was not research on low-paid workers but research with low-paid workers.

The project involved more than 1500 people who gave their views about what 'decent work' means to them. Views were elicited through focus groups, individual interviews, street stalls and an opinion poll.

The research focused in particular on people with experience in low-wage sectors or with low earnings and intentionally included demographic groups facing additional disadvantages in the workplace, such as disabled people and members of ethnic minority groups. The focus on low-paid sectors was chosen deliberately because for far too many people work fails to provide a route out of poverty.

The research produced a ranked list of 26 factors which research participants deemed to be most or least important to make work 'decent'. Using this list, a labour market assessment was undertaken in order to show how Scotland performs against the factors prioritised by participants. This assessment is based on an analysis of existing data on the labour markets of Scotland and the United Kingdom as a whole. The report combines this quantitative labour market data with the qualitative research and participants' quotes to highlight the impact of modern employment practices on people's lives.

What do low-paid workers prioritise?

The findings suggest a significant degree of consistency as to what matters most to low-paid workers. The full report contains numerous stories highlighting issues with modern employment practices. Understanding these experiences is a crucial first step to addressing the concerns that people feel within the workplace today.

TABLE 1: PRIORITIES FOR DECENT WORK IDENTIFIED BY FOCUS GROUP PARTICIPANTS

RANK	DESCRIPTION
1	Decent hourly rate: An hourly rate or salary that is enough to cover basic needs such as food, housing and things most people take for granted without getting into debt
2	Job security
3	Paid leave: Paid holidays and paid sick leave
4	Safe environment: A safe working environment free from physical and mental risk or harm
5	Supportive manager: A supportive line manager
6	Fair pay to similar jobs: Being paid fairly compared to other similar jobs
7	No discrimination: A job which in which there is no discrimination because of who I am
8	Purpose and meaning: Work that provides a sense of purpose and meaning
9	Regular hours: Regular and predictable working hours
10	Support after absence: Appropriate support to return to work following absence due to injury or ill health
11	Opportunities for progression: Opportunities for promotion and career progression
12	No unpaid overtime: An employer that does not expect me to arrive before or leave after my allocated hours or undertake unpaid overtime
13	Supportive colleagues
14	Enough time for tasks: Enough time to do all the tasks required
15	Workplace representation: Available and effective representation to raise my voice within the workplace
16	Additional benefits: Access to financial benefits beyond pay such as help with childcare or signposting to additional support such as tax credits
17	Develop and use skills: Ability to develop and use skills in current role
18	Predictable pay: Predictable take-home pay
19	Training opportunities: Access to suitable and convenient training opportunities
20	Accessible location: A job that is easy to get to from where I live
21	Flexible hours: Flexibility in choosing my working hours
22	No excessive hours: Work that does not involve excessive working hours
23	Fair pay vs senior staff: Being paid fairly compared to senior staff
24	Socially worthwhile: Work that I believe is socially worthwhile
25	Varied work
26	Control: Control and flexibility over how I deliver my work

There was strong agreement amongst focus group participants that a 'decent hourly rate' involves a wage or salary which not only covers 'basic needs', but which is also sufficient to participate in society and to 'save for a rainy day'. For research participants 'job security' often meant having a permanent, open-ended contract. A 'supportive manager' was characterised not only by respect for the employee and appreciation for a job done well, but an understanding of individuals' needs outside of the workplace.

The results from the street stalls and opinion poll were largely consistent with those from the focus groups, in terms of what research participants said were the important factors for 'decent work'.

TABLE 2: TOP 5 PRIORITIES ACCORDING TO RESEARCH METHOD

LOW-PAID WORKERS VIA FOCUS GROUPS	PEOPLE AT STREET STALLS	LOW-PAID WORKERS VIA OPINION POLL
1. A decent hourly rate	1. A decent hourly rate	1. A decent hourly rate
2. Job security	2. Job security	2. A safe working environment
3. Paid leave	3. Paid leave	3. Fair pay to similar jobs
4. A safe working environment	4. A safe working environment	4. Job security; paid leave; and no discrimination [ranked equal fourth]
5. A supportive manager	5. A job with no discrimination	

Differences by gender

While results show a strong level of consistency, there are some important differences between demographic groups, including between men and women. This is unsurprising, given that women's experience of the labour market differs to men's. Women face greater barriers in gaining a foothold in the labour market;ⁱⁱⁱ are more concentrated in low-paid sectors and occupations; and continue to be paid less than men for the same work.^{iv} Women are also more likely to have additional responsibilities beyond the workplace, particularly caring responsibilities.^v

TABLE 3: GENDER COMPARISON

FACTORS WOMEN VALUE MORE	FACTORS MEN VALUE MORE
A supportive line manager	Being paid fairly compared to similar jobs
Support to return to work after absence	Regular and predictable hours
Additional benefits beyond pay	Work that does not involve excessive hours
Flexibility in choosing working hours	Being paid fairly compared to senior staff
A job which is easy to get to	

Are workers priorities being met?

Participants' experiences highlighted that in many cases expectations in relation to 'decent work' are not being met. This is reinforced by an assessment of the labour market. This assessment was complicated by the availability of data, with issues around the coverage and timeliness of labour market data for Scotland and the UK. Nonetheless, using the most recent data, and looking specifically at the top five priorities for decent work identified in the focus groups – our assessment suggests:

1. A decent hourly rate

A fifth of all employees in Scotland (of which two thirds are women), were paid less than the living wage as defined by the Living Wage Foundation in 2016.^{vi}

"It's just not enough, how can I pay all my bills and rents and... buy a bus pass... it's just not evening out... It means you can't participate in basic things. My cousin's fortieth birthday's coming up... and that's a real issue for me 'cause I'm thinking 'How am I gonnae manage this financially?'" (Social care worker, female)

2. Job Security

138,000 workers in Scotland, 6% of all employees, are on temporary contracts – 45,000 (2%) of whom are seeking permanent employment.^{vii} In 2016, 78,000 people in Scotland were on a zero-hours contract,^{viii} while 12.6% of workers across the UK reported (in 2015) they might lose their job in the next six months.^{ix}

"I lost my job today... and I've had no notice on that because I'm agency... and that's just been told today, 'Don't come back until the end of January'." (Agency worker, hospitality sector, male)

3. Paid leave

118,000 workers in Scotland, 5% of all employees, did not receive the statutory minimum paid holidays they were entitled to in 2014.^x

"They refused to pay me when my gran died. They refused to gie me one day for the funeral off." (Fast food worker, female)

4. A safe working environment

88,000 workers in Scotland, 3% of the workforce, reported illness caused or made worse by work in the previous 12 months, while 33,000 reported stress, depression or anxiety caused or made worse by work.^{xi}

"I have been assaulted at work. And I had told my company they'd let me down, and they said 'No, we haven't let you down'... I just feel like I wasn't respected at all. I was just an inconvenience." (Social care worker, female)

5. A supportive manager

13% of Scottish adults in employment reported feeling their line manager did not support them in 2013.^{xii}

"They humiliate you in front o' people, questioning why you were in the bathroom for too long. Some people, they're older women in my work, and they're about seventy, eighty and they get questioned because they take three minutes going tae the toilet." (Call centre worker, female)

Conclusion

While all of the decent work factors identified by low-paid workers are important to varying degrees, the top five are fairly basic conditions which workers should be able to expect. None are unreasonable or extravagant. They are also areas within which businesses and policymakers can make a real difference. They should therefore be priority areas for policy and practice.

We hope you find this submission, and the full report, useful as you finalise your deliberations. We would be happy to provide further information as required.

For further information contact:

ⁱ Taylor, M (May 2017). RSA Annual Lecture. 'Good work for all': <https://medium.com/@thersa/why-we-need-to-talk-about-good-work-728d7d82877c>

ⁱⁱ Stuart, F et al (September 2016). Oxfam. 'Decent work for Scotland's low paid workers: a job to be done': <http://policy-practice.oxfam.org.uk/publications/decent-work-for-scotland-s-low-paid-workers-a-job-to-be-done-619740>

ⁱⁱⁱ Scottish Government (April 2016) Labour Market Brief: <http://www.gov.scot/Topics/Statistics/Browse/Labour-Market/AnalyticalPapers/LM-Brief-Apr> and New Policy Institute (October 2016) 'Women, Work and Wages': www.npi.org.uk/publications/work-and-pay/women-work-and-wages-uk/

^{iv} Scottish Parliament Information Centre (SPICe) (January 2016) 'Earnings in Scotland – the gender pay gap': http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB_16-11_Earnings_in_Scotland_2015-the_gender_pay_gap.pdf

^v Scottish Government (March 2015) 'Scotland's Carers': <http://www.gov.scot/Publications/2015/03/1081>

^{vi} Scottish Government Living Wage national indicator (data taken from Office for National Statistics Annual Survey of Hours and Earnings): <http://www.gov.scot/About/Performance/scotPerforms/indicator/livingwage>

^{vii} Office for National Statistics (July 2016) 'Regional labour market: Headline Indicators for Scotland': <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/headlinelabourforcesurveyindicatorsforscotlandhi11>

^{viii} Office for National Statistics (September 2016) 'Contracts that do not guarantee a minimum number of hours': <https://www.ons.gov.uk/releases/contractsthatdonotguaranteeaminimumnumberofhoursseptember2016>

^{ix} European Working Conditions Survey (2015): <http://www.eurofound.europa.eu/surveys/data-visualisation/sixtheuropean-working-conditions-survey-2015>

^x Based on TUC estimates using Labour Force Survey data (July 2015): <https://www.tuc.org.uk/workplace-issues/employment-rights/working-time-holidays/17-million-peoplemissing-out-their-paid>

^{xi} Health and Safety Executive (October 2015) using Labour Force Survey data in 'Health and Safety in Great Britain 2015': <http://www.hse.gov.uk/statistics/regions/country-and-region.pdf> and <http://www.hse.gov.uk/statistics/regions/tables.htm>. Statistics based on a rolling 12 month average between 2011/12 and 2014/15.

^{xii} Scottish Health Survey (2013) 'Part 14 – stress at work': <http://www.gov.scot/Topics/Statistics/Browse/Health/scottishhealth-survey/Publications/Supplementary2013>