



## **Greater Manchester Poverty Action and Greater Manchester Living Wage Campaign response to the Greater Manchester Good Employer Charter consultation**

### **About Greater Manchester Poverty Action (GMPA) and the Greater Manchester Living Wage Campaign (GMLWC)**

GMPA works to tackle poverty across Greater Manchester. Our vision is of a city region where all residents can access the benefits and opportunities that living in Greater Manchester presents. We work in the spirit of collaboration and bring stakeholders together to create the conditions in which the potential impact of those seeking to address poverty, whether in the public, private or third sectors, can be realised. We convene, network and collaborate and we seek to influence.

GMPA hosts the GMLWC. The GMLWC is a coalition of people and organisations who want to make Greater Manchester a Living Wage Zone; to challenge low pay; to put Living Wage policy and a culture of social equality at the heart of how Greater Manchester works.

### **Background**

In-work poverty is a significant problem in the UK. Around two thirds of children living in poverty are in households where at least one adult is in work<sup>i</sup>. In-work poverty is in part caused by low pay and poor-quality work<sup>ii</sup>. A greater proportion of jobs in the UK are classed as low paid than in several comparable developed economies<sup>iii</sup> and there are concerns about the prevalence of insecure and short hours jobs<sup>iv</sup>.

In-work poverty is of concern in places like Greater Manchester, where poverty levels have remained high and persistent over several decades, and where economic growth and development has not had as great an impact on poverty levels as desired.

The scale of the problem in Greater Manchester reflects the inability of the local jobs market to provide a sufficient amount of good quality work to residents, even when employment rates are high and unemployment levels are low. GMPA and the GMLWC therefore welcome initiatives at a city region and local authority level in Greater Manchester that recognise the problems of in-work poverty and poor-quality work and seek to address them. We welcome the proposal for a Good Employer Charter and believe that this has the potential to have a positive impact on the nature of employment in the city region and to complement other initiatives aimed at ensuring employment offers a route out of poverty.

This response is informed by our work on this area over several years and specifically by a series of consultation events run by the GMLWC during *Living Wage Week* in November 2017. These events brought together key stakeholders with an interest in tackling in-work poverty from across the third and other sectors.

### **Responses to questions set out in the consultation**

#### **1) What does a GOOD EMPLOYER DO or not do?**

At our consultation events during Living Wage Week we identified a number of positive employment practices that participants felt should be considered for inclusion in the employment charter. The conversations were as much about employers adhering to certain values and being supportive of their employees as they were about offering certain terms and conditions. The responses can therefore be categorised as follows:

## Values based

### *A good employer:*

- ✓ Views the Charter as being how good business is done in Greater Manchester.
- ✓ Has values of cooperation, collaboration, employee recognition and encouragement.
- ✓ Is committed to local economic sustainability and the environment.
- ✓ Is committed to helping their local community.
- ✓ Promotes good employment not just full employment.
- ✓ Recognises workplace pensions, race equality and equal access for women to industries that have traditionally been male dominated.
- ✓ Recognises the contribution of vulnerable people in the workplace: such as people with lived experience of homelessness, ex-offenders, people living with an addiction and disabled people.
- ✓ Values their staff and recognises their input into the business.
- ✓ Has high standards for a continuous improvement culture that includes all staff.

## Recognising the business benefits and influencing peers

### *A good employer:*

- ✓ Understands the business benefits of being a good employer, including staff retention and engagement (therefore reducing recruitment costs), smarter recruitment, improvements in quality, customer retention, high quality staff, increases in staff productivity, and a better reputation.
- ✓ Shares knowledge of what makes a good employer with their business peers.
- ✓ Recognises the assets of their employees.
- ✓ Views the adherence to good employment standards, and the care of their staff, as good for their bottom line and productivity.

## Practical steps:

### *A good employer:*

- ✓ Is an accredited Living Wage employer.
- ✓ Recognises maternity and paternity rights and is addressing any gender pay gaps.
- ✓ Has attractive and secure contracts of employment.
- ✓ Offers pre-employment support for people in their local community.
- ✓ Offers different and diverse workplaces, work times and locations.
- ✓ Has employee-led approaches to recruitment and retention supported by good HR policies and support.

## Being a supportive employer:

- ✓ Provides training, quality apprenticeships and mentoring programmes.
- ✓ Supports their staff through difficult times e.g. bereavement and financial difficulties.
- ✓ Offers security and reassurance to their employees.

## 2) What do you WANT FROM the GM Good Employment Charter?

We want the GM Good Employment Charter to identify what constitutes good employment, setting a standard for employers to adhere to. Reflecting our response to question one, it should help both foster a set of values among employers as well as encouraging the adoption of certain terms and conditions. Key points from our consultation events included:

- ✓ Clarify what good employment means in Greater Manchester: working environment, culture, trust and flexible working.
- ✓ Focus on standards for pay and security.
- ✓ Promote the Living Wage employer accreditation process and benefits.
- ✓ Promote a culture of higher wages leading to improved performance.
- ✓ Promote good employment not just full employment.
- ✓ Set standards for a culture of good employment.
- ✓ Set standards for a continuous improvement culture that includes all staff.
- ✓ Set standards for attractive and secure contracts of employment.
- ✓ Provide standards for pre-employment support expected of employers.
- ✓ Provide clarity as to how good employment can be recognised.
- ✓ Target industries where good employment is not happening.
- ✓ Contain available accreditation pathways such as the Living Wage Employer accreditation.
- ✓ Be linked to the good employment procurement process.
- ✓ Recognise that the intention to be a good employer is important.
- ✓ Promote networking and relationships for good.
- ✓ Support businesses to sign up to a journey towards meeting all the Charter Standards.
- ✓ Provide peer advocates to support employers through the process.
- ✓ Explain how good employers benefit communities.
- ✓ Recognise that good employment is about equality and justice, and is good for all people and communities, employers and employees.
- ✓ Provides a catalyst for change.
- ✓ Be workable and inclusive.
- ✓ Recognise the assets of employers and employees.
- ✓ Provide a toolkit to assist smaller employers, including the steps needed to improve employment standards.
- ✓ Recognise organisational values of cooperation, collaboration, employee recognition and encouragement.

### **3) What SHOULD BE IN the Charter, which employers would have to sign up to?**

Reflecting our responses to questions one and two, we want the Charter to include adherence to certain terms and conditions, but also to help ensure employers adhere to certain values, for example around equality in the workplace. We want the Charter to include the following:

#### **An expectation on HR practices:**

- ✓ Pre-employment support expected of employers.
- ✓ Pay and security including being a Living Wage employer.
- ✓ Balancing employer/ employee needs.
- ✓ Career paths and prospects.
- ✓ Staff engagement through either trade union involvement/recognition and/or democratic staff representation within organisational structures.
- ✓ Supporting staff through difficult times e.g. bereavement and financial difficulties. Support for long term conditions so that people have time to attend appointments and treatment.
- ✓ Employee led approaches to recruitment and retention supported by good HR policies and support.

- ✓ Training and mentoring programmes.

**An expectation around working hours:**

- ✓ Flexible work that meets the needs of employees, fitting around things like caring responsibilities. Provide support i.e. childcare, carers, recognition of people's circumstances. Flexible working does not mean zero hours contracts as they pass risk from employer to employee.
- ✓ Hours that support different life or age situations.
- ✓ Contracts with minimum set hours.

**An expectation of equality in the workplace:**

- ✓ A responsibility to provide employment opportunities for vulnerable people and promote equality and diversity.
- ✓ A requirement to have a broad workforce that reflects the community, be transparent in recruitment and pay systems, address gender and BAME pay gaps.
- ✓ Equality of terms of employment whether senior or junior staff.

**4) How could a GM Good Employment Charter be PROMOTED?**

Promotion of the Charter will be central to realising its potential. Whilst adherence to positive employment practices by public sector bodies has the potential to have a significant impact, both in terms of direct impact on their employees and regional leadership, it is important that the Charter is promoted to and adopted by private and third sector employers, and not just the preserve of the public sector.

Promotion of the Charter among private sector employers will require peer to peer promotion among the business community in Greater Manchester. This could include the appointment of employers, who do this well, as ambassadors or champions, to promote the Charter to their peers and creating spaces for sharing the business benefits of adopting good employment practices. Engagement with organisations including the Greater Manchester Chamber of Commerce and Federation of Small Businesses will be important in creating those spaces. These organisations could offer a business mentoring scheme, giving employers an opportunity to discuss challenges and ideas with other businesses.

Ensuring the Charter 'reaches' smaller employers will be crucial if SMEs are to engage with it. GMPA is well placed to promote the Charter, particularly to third sector organisations, through our communication channels and we will be able to highlight good practice examples and case studies.

Mechanisms need to be created for regular promotion of the Charter. One approach would be to replicate the Living Wage Week 'model', creating spaces for employers to come together for peer to peer influencing.

**5) How could employers be ENCOURAGED TO SIGN UP? What could discourage employers from signing up**

Resources will be required to support employers on the journey towards adoption of the Charter. At our consultation events participants explored what a toolkit should include and this can be summarised as follows:

- ✓ Greater Manchester principles of good work.
- ✓ Industry specific advice and information that recognise key challenges facing certain sectors and industries.

- ✓ Contain available accreditation pathways such as the Living Wage Employer accreditation and examples of how it fits with other Charters and schemes.
- ✓ Tools for measuring the business benefits of adherence to positive terms and conditions.
- ✓ Case studies that demonstrate benefits, influence, economic gain for employer and employee.
- ✓ Access to Charter Champions and mentoring 'buddies'.
- ✓ Support for different sizes and types of employer.

Incentivising Charter sign up will help maximise the number of employers engaging with it. Incentives could include:

- ✓ Procurement incentives to those who adhere to key Charter standards.
- ✓ Requirement to favour Greater Manchester in procurement, commissioning and employment decisions (replicating the Salford Charter's approach).
- ✓ Creating a pathway towards Charter adoption that helps recognise those employers who are working towards the Charter but not in a position to adopt it in full.
- ✓ Promotional and publicity tools for those employers who have signed up to/achieved the Charter.

**6) Should different SIZES and TYPES of employer be treated differently by the Charter? If so how?**

There needs to be a strategy specific to SMEs. This could include an SME specific Charter and, reflecting our responses to other questions, support that is tailored to small private sector employers and a strategy for engaging with the private sector that raises awareness of the Charter among SMEs. This should also help position the Charter as an achievable objective for smaller employers and set out how any barriers to achieving it can be overcome.

It was suggested at our consultation events that a tiered approach to the Charter, such as 'bronze, silver and gold' awards or levels presents one means of widening the potential scope of the Charter as well as helping to create a pathway for the ongoing adoption of improvements in employment terms and conditions. A prerequisite of the gold standard could be a requirement to become an ambassador and/or help a bronze-level employer become silver or gold standard.

**7) What should the RELATIONSHIP be between the GM Good Employment Charter and other local and national standards and Charter, to ensure that they are mutually reinforcing and avoid confusion for employers?**

There should be a recognition of other Charter standards and principles so that employers who meet the principles and standards in one Charter can be recognised in another.

**8) How should the APPLICATION process and ongoing MONITORING of the Charter work so that it is straightforward for employers but also ensures that commitments are met?**

This is dependent on the level of resource committed by the combined authority to the ongoing promotion and management of the Charter. The credibility of the Charter will be crucial to its sustained success. Therefore, any application and monitoring process MUST ensure only those employers genuinely adhering to the required set of standards are able to achieve/sign up to the Charter. An independent assessment panel,

something GMPA would be happy to support/join, made up of key stakeholders who periodically to review applications to the Charter would be one means of ensuring credibility, but any panel will need to be properly resourced and have a means of undertaking more in-depth assessments of applications where necessary.

**9) How could the IMPACTS of the Charter be MEASURED and who should do this?**

The impact of the Charter could be measured via in-depth assessments of a smaller cohort of employers. This would need to track duration of employment, staff wellbeing/happiness, staff sickness and other indicators of wellbeing and productivity, pensions, health and action to recruit from disadvantaged groups (ex-offenders, young people, people with lived experience of homelessness, those with addictions and BAME groups). Similar research has already been conducted into the business benefits of improved terms and conditions, including by the Living Wage Foundation, offering a methodological approach to follow<sup>v</sup>. GMPA is well placed to help promote any evidence exploring the impact of the Charter as well as supporting work and research with employees researching the impact of improved employment terms and conditions on how they feel about work.

**10) Is there OTHER EVIDENCE which should be considered in the development of the Charter from academic research, practical experience or other sources?**

***This response has been informed by the following resources and these should inform the development of the Charter:***

Gautié, J. and Schmitt, J. Eds. 2010. *Low-Wage Work in the Wealthy World*, Russell Sage Foundation.

Grimshaw, D., Johnson, M., Keizer, A. and Rubery, J. 2015. *Reducing precarious work through social dialogue*. Report for the European Commission.

Heery, E. 2011. *Assessing voice: the debate over worker representation*. In P. Blyton, E. Heery and P. Turnbull, eds. *Reassessing the Employment Relationship*, Palgrave.

Hughes, Ceri, et al. *Good jobs in Greater Manchester: the role of employment charters*. University of Manchester, Joseph Rowntree Foundation, Oxfam GB and Greater Manchester Poverty Action. <http://policy-practice.oxfam.org.uk/publications/good-jobs-in-greater-manchester-the-role-ofemployment-charters-620251> (2017).

Shildrick, T., Macdonald, R., Webster, C. and Garthwaite, K. 2012. *Poverty and Insecurity: Life in Low-Pay, No-Pay Britain*, Policy Press.

Stuart, F. 2016. *What Makes For Decent Work? A study with low paid workers in Scotland* Oxfam

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<sup>i</sup> See Department for Work and Pensions: *Households below average income: 1994/95 to 2016/17*

<https://www.gov.uk/government/statistics/households-below-average-income-199495-to-201617>

<sup>ii</sup> See for example, <https://www.npi.org.uk/blog/income-and-poverty/work-poverty-what-it-what-it-isnt-why-it-matters/>

<sup>iii</sup> See OECD data: <https://data.oecd.org/earnwage/wage-levels.htm>

<sup>iv</sup> See for example, New Policy Institute, October 2016, *Women, work and wages in the UK Understanding the position of women in the UK labour market and the need for an effective policy response* Adam Tinson, Hannah Aldridge and Graham Whitham and

<sup>v</sup> See, Living Wage Foundation *Living Wage Employers: evidence of UK Business Cases*

[https://www.livingwage.org.uk/sites/default/files/BAR\\_LivingWageReport%20cropped%2021%2001.pdf](https://www.livingwage.org.uk/sites/default/files/BAR_LivingWageReport%20cropped%2021%2001.pdf)