

SUBMISSION FROM SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

What makes a job ‘good’ or ‘bad’?

While employment can contribute to well being, there are numerous other factors that influence mental state¹, however unemployment causes a long term negative effect². Perhaps not surprisingly under-employment and uncertainty over employment also have a very negative impact¹ and many factors contribute to wellbeing for workers.

Pay

Pay alone will not make a job good and employers say they offer wider packages of pay and benefits but uncertainty over pay causes anxiety. Employees want good terms and conditions and a good working environment and there is increasing anecdotal evidence that young people are attracted to a company’s values meaning that pay can only persuade young people to stay with a company for so long. The Scottish government has made the living wage a central tenant to the business pledge but this may not be possible for all companies. The challenge for some sectors (such as tourism) to pay a living wage is a problem and a sectoral approach may be more appropriate. In the care sector, for example, increasing wages can lead to lost contracts and therefore job losses, and a focus on progression opportunities in these sectors could be more beneficial. Glasgow City Council is currently piloting this approach as part of its City Deal.

While workers need to make sufficient pay in order to meet their costs, employers also consider how they can support the health and wellbeing of their staff, including through supported gym memberships, and flexi-benefits which give employees a benefit pot on top of their salary which can be used towards childcare, health and dental plans etc. For third sector organisations they may not be able to pay great headline salaries, but they can offer a range of benefits which provide a sense of security and encourage retention, including an attractive pension, life insurance and critical illness insurance. These indirect salary contributions will help employees living costs but may not be included in consideration of the living wage.

Job design

A good job requires proper thought in its design and should be benchmarked against similar roles to produce an appropriate person specification with reasonable expectations for the workload and skillset. Roles and reporting should be coherent with clear lines of accountability and responsibility. Conversely poor jobs are a wish list and poorly designed with either crisis management or micro management.

Also seen as important in skilled roles is a freedom of choice which is said to boost innovation³ and also proximity to other similar jobs in the workplace. Relationships with work mates also help to make a good job as Gallup have pointed out⁴ and the influence of a manager to develop and engage their staff rather than performance manage leads to a better work environment.

Staff engagement is key to understanding challenges and the creation of innovative work practices and good HR practices such as regular appraisals have been proven to improve staff motivation.

A transparent workplace is required when dealing with promotion and tasks, which also includes a level playing field around vacancies which must be visible and promoted to existing staff. At the very least this promotes consideration of new ways of working, or how their role can help or be helped by new colleagues.

Leadership

Leadership and management is generally believed to be an area of poor performance across all sectors in Scotland. There is a need for a greater emphasis on these qualities in education, extra-curricular activity and recruitment, more investment in management training, and encouragement of greater ambition and progression in management. The benefits of stronger employee engagement and wellbeing are generally agreed to support higher motivation, customer service and continuous improvement. Greater transparency around challenges and opportunities can increase the sense of a common stake as can different forms of business ownership and motivation leading to an inbuilt engagement of employees in some businesses.

Training and Development

Training and development are crucial to develop the workforce which can lead to business growth. Often training that increases skills that are not directly related to the job increase motivation and well-being as well as benefitting in their home life if areas such as literacy, numeracy and basic IT knowledge are encouraged⁵. There is a need for training to take a 'vertical slice' through the business rather than just a 'bottom up' approach. This means investing in management skills is as important as investment in Modern Apprenticeships, and can include in-house development, sponsoring MBAs or other specialist Masters, however, not everybody can become a manager, but proper investment is still needed to keep these staff motivated and interested.

A further requirement is flexibility for employers to reassign people's roles is important for introducing individuals to different realities, making them want to progress in their career, and making them more productive as a result.

Ensuring that people have higher level skills which cannot be automated and/ or digital skills to work with the new processes is key to maintaining employment and competitiveness.

Diversity

Many employers recognise the benefits of a more diverse leadership and workforce, such as innovative perspectives and protecting against 'Group Think'. There is now more emphasis on equal opportunity and meritocracy and change is taking place but will take time to feed through to the highest levels. In the short term there is a need to make changes in workplace cultures and introduce family friendly policies, such as flexible working and specific public support for workers returning from career gaps. There are perceived to be specific issues in relation to Science, Technology,

Engineering and Maths careers and the legal sector where in some cases there are lack of female recruits.

The benefits of other kinds of diversity are also recognised, albeit that Scotland's demographic profile can be a challenge in areas such as ethnicity. A workplace environment which allows individuals to function as productive employees is necessary to improve diversity in ability.

Have jobs become better or worse since 2008?

There has been an increase in the use of zero hours contracts⁶, underemployment and part-time employment. Hence the recent overall decreases in unemployment mask the full scale of the impact on re-employment since 2008. This is borne out by the productivity statistics which show a lack of growth leading to the so called productivity puzzle.

To significantly improve their own productivity, organisations highlight the attraction and retention of talent and increasing investment in their workforces which may have been reduced in the recession. Also needed is leadership and management to make better use of workforces; greater self-management, self-motivation and willingness to embrace changing roles among workforces; digitisation to improve knowledge exchange and performance monitoring; simplification to focus on core purposes and collaboration with others; cost reduction; improved national infrastructure to improve the utilisation of peoples' time; and higher adoption of innovation.

Some questioned the completeness of productivity measurements given the changing nature of the economy and/ or suggested that the problem was confined to some sectors.

There is a need of the next step to make the quantum leap to higher productivity rather than returning to a new normality.

What effect might low quality/low pay jobs have on the economy?

There is little growth in the economy which leads to a spiral of lack of investment as lenders take a more cautious approach. This can clearly be seen in the UK productivity figures.

For individuals the lack of high quality jobs puts a ceiling on aspiration and could lead to under attainment in education. There is therefore a need to continue to promote lifelong learning to allow the workforce to up-skill allowing flexibility in the workforce to meet demand and new opportunities. There are many examples in the Mather review⁵ where workforce engagement has led to the development of the workforce and given companies a new lease of life and opened up new markets.

There is anecdotal evidence of hard to fill vacancies for skilled and semi-skilled employees in some professions yet graduates are reportedly finding it difficult to obtain employment at an appropriate level. More complete labour market information could help to match vacancies to job applicants and allow them to undertake qualifications in areas where there a lack of skilled workers. However, there is also a requirement on

employers to increase the volume of entry level jobs and an appreciation this would include in work training.

Another issue is the contribution to the economy and public finances from those on low wage levels as they are less likely to meet income tax thresholds, or able to spend their salary. This results in a lack of spending power in the economy and this lack of growth has made employers pessimistic about future profits and apprehensive about increasing salaries. As with business investment, this spiral of low wages reducing spending power reduces growth making it harder to recover from the recession.

What can the Scottish Government and public policy makers do to improve job quality in Scotland.

The Scottish Government should look to set example on providing quality jobs in ensuring directly and indirectly employed staff are employed on good terms and conditions. In particular it should consider the living wage for indirectly employed staff and consider if the contract culture leads to job insecurity.

Procurement has been suggested as an important incentive to increase wages. Some in the private sector who do not have low paid staff find it can be an issue for them in terms of competing with others for public sector contracts. During the Procurement Reform Bill, Scottish Government stated that requiring a living wage in order to bid for public sector contracts infringed state aid, however, this is a problematic area and other legal advice has suggested otherwise.

The Scottish Government should provide more labour market information and economic statistics including a greater breakdown of UK figures into Scottish figures.

There is a belief that there is a legacy of under-investment in infrastructure and concern that despite current higher levels of investment and long-term commitments, other countries are improving their infrastructure more quickly and there is a degree of complacency in Scotland.

Exemplars/ case studies were seen as a good way of highlighting benefits. The gender balanced Scottish Cabinet was one good example from the Government. However, the private sector does not yet seem to be highly engaged with its Scottish Business Pledge. Identifying exemplars is the best way to promote good management practices and fair workplaces, and the Business Pledge is a way to do so as well as highlighting the examples in the Mather Review⁵.

There should be more examples of what good leaders look like; as a society we tend to be over-impressed by extroverts but there are many expressions of leadership. Management teams should have a mix of personality types, and the government's aim in increase diversity in boards may help contribute to a broadening of management style away from the traditional confrontational manner to a more inclusive and engaging form of management.

¹ Charlie Woods [Understanding, measuring and promoting wellbeing in Scotland](#), Scottish Universities Insight Institute, 2015

² Carol Graham “ [Comments on The effects of macro-economic shocks on wellbeing](#)” (2013)

³ Marcus Buckingham <https://www.tmbc.com/>

⁴ Gallup business survey <http://www.gallup.com/businessjournal/104197/tenth-element-great-managing.aspx>

⁵ [Working Together Review](#): Progressive Workplace Policies in Scotland, Scottish Government 2014

⁶ [Contracts with no Guaranteed Hours, Zero Hours Contracts](#), ONS, 2014