

Working Better: New solutions for the 21st century

This month the Equality and Human Rights Commission launched its first report on the way we work today, and what needs to change to create more equal working lives in the future. John Sharman discusses what they found.

The Equality and Human Rights Commission established the Working Better project to find solutions that will improve the outlook for the economy and society – for employers, individuals and families – over the long-term. 'Working Better' brings together various ideas about how work could be organised, people employed and business structured for Britain to meet the challenges of the 21st Century and at the same time improve equality and human rights.

The Working Better project published its first ground breaking report on March 30. The report contains new research on how people combine work and family life today and what they want in the future. It calls for a radical overhaul of the maternity and paternity leave system, to create a gender neutral family leave system by 2020, and the extension of flexible working to all.

The Commission has identified the need for an approach to flexibility that encompasses everyone, whether they have caring responsibilities as a parent, are disabled, are older or newly entering or re-entering the workplace. Flexibility has business value way beyond its benefit for employers and parents.

At the campaign's launch last July, Nicola Brewer, the Commission's Chief Executive, set out the key questions to be addressed in this report:

- What affects the choices parents make in balancing paid work and care?
- What would enable fathers to play a bigger role in parenting?

- Should the 'right to request' flexibility become the 'right to have' flexibility?
- How do we fundamentally change our approach to work to benefit all?

Britain must find ways to include more people in the workplace in order to meet the long term demand for skilled workers, and flexible working could be part of the solution. Despite the recession, employment is forecast to continue to rise over the coming decade as a whole. There will be 2 million new jobs and a need to replace 11.5 million existing workers, the UK Commission for Employment and Skills forecasts.

Employers are still reporting shortages of key skills, and long-term demand for skills will increase. Britain will need to bring new people into the workforce, improve training, and make better use of skills that are already available. More than half of part-time workers, most of whom are women, are in jobs below their potential, often because it is the only way they can combine work and caring. As many as 6.5 million people could be using their abilities more fully if they had greater flexibility at work.

This article outlines some of the main findings of the research on how people work today and what they want. It includes some of the recommendations made by the Commission of the practical changes we can make to improve working lives.

Reforming parental leave

Today's parents defy stereotypes and want to share work and family care more equally. But their choices are constrained by inflexible and low paid family leave

provisions based on a traditional division of paid work and care.

Britain stands out internationally for its long leave reserved for mothers, mostly at a low rate of pay, and its relatively weak parental leave. It also has very short paternity leave, which is low paid and has a relatively low take up. Whereas other countries offer flexible parental leave alongside flexible work, Britain does not.

Our research found there is extensive unmet demand from fathers for more leave with their children. Parents primarily want a wider range of flexible job opportunities in all types of jobs. They also want more financial support from the Government for paternity and parental leave and more affordable childcare.

Recommendations

So what would most help parents achieve a better balance? What would enable men to play a greater role in parenting? Is long maternity leave best for parents, or is it entrenching the assumption that women do the caring and pay the career penalty?

The report sets out a new approach that would give Britain a world-class policy of parental leave by 2020. This would enable families to exercise real choice in the first year of their child's life, and to have the option of paid parental leave up to the age of five.

This approach involves a series of incremental changes to increase men's take up of family leave and make it longer, better paid and more flexible:

Stage 1

Small scale changes now, to increase take-

up by low earners through expanding eligibility; improving levels of payment; introducing Paternity Allowance by 2010.

Stage 2

A move to 'parental' rather than 'maternity' leave when a baby reaches six months, and the introduction of dedicated, non-transferable periods of leave for mothers and for fathers by 2012.

Stage 3

The introduction of gender-neutral parental leave, with equal access for both parents to paid parental leave by 2020.

The Commission also recommends greater flexibility in how paternity and parental leave can be taken including paternity, maternity and parental leave that can be taken as days, weeks or longer blocks of time. Temporary part-time work should be a standard option during parental leave to provide one avenue for challenging perceptions of what can or cannot be done on a reduced hours basis.

Extending flexibility

Our research found there is extensive evidence of the business benefits of flexible and alternative working arrangements, including innovative approaches to managing people, time and rewards in the recession.

For many people currently working flexibly, their flexibility arrangements were a feature of the job when they started. Informal requests were the next most common source, and interestingly, the new right to request flexible working was the least reported means of achieving flexibility. We found that the gap is widening between workplaces where flexibility is 'business-as-usual' and those which have seen little change to traditional patterns.

Britain's right to request legislation allows a wider range of alternative working arrangements than flexibility regulation elsewhere. But in some other countries regulations on flexible working address a wider range of policy objectives, including unemployment, and go hand-in-hand with more generous parental leave arrangements.

The British right to request legislation offers greater individual flexible work options

than elsewhere, making it attractive to men as well as women. It is important to support employees who might otherwise be afraid to ask for flexibility, and those in workplaces with no examples of the benefits of flexible working. We found that a majority of parents do not know about their right to request flexibility.

Finally, although flexibility offers benefits to business as well as workers, it does present new challenges for line managers. We found that more and better training is needed for managers who are responsible for flexible workers.

Recommendations

The Commission's view is that flexibility should be extended to all employees throughout working life. This would reduce the risk that certain groups - such as parents of young children - pay a career penalty for working flexibly. The report also recommends the introduction of a formal right to request a return to full-time work, after a previous change in working hours, to be negotiated subject to business needs

In addition the Commission recommends removing the requirement that an employee can request flexible work only after 26 weeks in the job, in order to open flexible options to job applicants.

Other recommendations include:

- Investment in training managers to introduce flexibility and manage a flexible workforce – through current skills programmes for managers for example, IIP and the new skills funding package for smaller businesses
- A publicity drive to raise awareness of the right to request, particularly targeting fathers, and campaigns at sectors and workplaces with little flexibility, to open up opportunities, particularly for men.
- More flexible, affordable childcare.
- Local authorities to provide independent advice on flexible work

opportunities to parents and to carers, as in Sweden and Germany where chambers of commerce and local government jointly provide advice centres on flexible working in several cities.

- Employers to provide information on flexible working options that meet business and employee need, encouraging discussions and team negotiations to match flexibility and business need.
- Include flexible work options in job ads.
- Make clear that employees taking reduced hours have options to request more hours or return to full-time hours.

Conclusion

The report argues that there is a strong case for re-configuring maternity, paternity and parental leave and extending flexible working. These measures would respond to high demand from parents and the wider working population, achieve greater equality, fairness and choice, improve the quality of life and of childhood, and provide benefits for employers and the economy.

The main recommendation is for a radical change of policy to create a 'gender-neutral' system of family leave. This would make leave more equally available to fathers and mothers, giving working parents wider choices about how they organise their work and their family responsibilities.

Legislation on the right to request flexible working is currently driven by the policy imperative of helping families to manage work and care. The changes we propose to family leave would answer that imperative. This would allow the right to request to be made available to everyone, since there would no longer be a reason to prioritise parents. Family leave and flexible working policies would run in parallel and complement each other, as they do in other countries.

Next Steps

This Phase 1 Working Better report focuses on ways of improving choices for working parents. Work is already underway on Phase 2 'Working Better for All' with new research on disabled workers, carers and older workers to be completed during 2009.

John Sharman
Working Better Project Team

Britain must find ways to include more people in the workplace in order to meet the long term demand for skilled workers, and flexible working could be part of the solution



Sarah Veale asks whether a legalistic approach to employment relations is really the best route to good workplaces, and whether the new Acas Code of Practice offers an alternative approach.

Spring has come and with it comes new employment legislation – stricter penalties for breaches of the National Minimum Wage laws, an extended right for parents to request flexible working and a brand new ACAS Code on Grievance and Discipline. The collective groans of employers’ organisations can be heard as loud and clear as the dawn chorus.

If you look objectively at these new rights they make good sense. Paying the National Minimum Wage and providing some flexibility for working parents pays huge dividends in social terms, and benefits the economy, which in the long term benefits employers.

What tends to get forgotten is that employment legislation is only a “burden on business” if and when employers get things wrong, and only then if and when an employer gets caught. Most employers want to get things right and want their workforce to be productive and happy in their work.

That is why it is a great mistake to see the new ACAS Code as yet another burden, another piece of legal gobbledegook that needs to be interpreted by lawyers before it can be handled correctly by employers. The whole point of the ACAS Code, both in its new iteration and previously, is that it provides a series of nudges and suggestions for employers without being prescriptive. Good employers confidently conduct their businesses within the spirit of the Code anyway. For them, having written procedures for handling difficult situations, often customised to suit their own workplace, is so obviously necessary as to seem hardly worthy of report.

The principle underpinning the Code is that good employment relations systems mean good business and fewer visits to the Employment Tribunal. A large number of cases at the Employment Tribunals involve accusations of unfair dismissal. Many of those that are subsequently found to be unfair are found to be so because the employer has acted hastily, or not given the employee the chance to explain things. In cases of discrimination it is often obvious that the employee has not known what to do about a problem; a grievance procedure, notified to the employee when they start work and easily available to use will often allow for discussion and remedial action, sometimes by both parties, with no need to go to litigation.

The Code encourages alternative dispute resolution through mediation too – which is often particularly appropriate where there is systemic failure of some kind – a bullying culture for example, or unfair allocation of tasks.

It was re-written when the Government decided, in the face of universal demand, to repeal the short-lived statutory dismissal and grievance procedures. One of the key problems with those procedures was that they tried to force a soft issue (employment relations) into a hard legal straightjacket. Lawyers on both sides soon learned how to use the statutory procedures to trip the other party up – thus causing delays and worsening employment relations and any chance of keeping a person in a job. No doubt some lawyers are disappointed that this particular income stream has disappeared and are determined to find fault with the new Code instead.

It is in the best interests of employers and employees to see the Code as their friend, not as another wedge of legal text invented to trip them up, or to prevent them from seeking justice. It is true that it has inherited one feature from the statutory procedures – the ability to reduce or increase an award made when an employer has done wrong. That will be a matter of judgement only called if the dispute ever gets to the tribunal and the employer is found to have broken the law – and the judgement will be on the facts in each case. It is not necessary for employers to set up complicated procedures to avoid an uplift – just behave fairly, apply common sense and don’t rush to action – all much easier if you have a mature approach to constructive employment relations.

To make the code as successful as possible, we will need more confident employers, working with employment relations experts to use the code to build better workplaces, not more lawyers.

Sarah Veale is Head, Equality and Employment Rights Department, TUC, and contributed to the drafting of the new code of practice. She is also a member of the IPA executive committee.



New year, new rights

The new financial year saw the introduction of several new workplace rights. As of April 1st, the right to request flexible working was extended to parents of children up to 16 years of age, automatic penalties will be incurred by employers who underpay on the National Minimum Wage, the minimum paid holiday entitlement will rise to 28 days and the new Employment Act will take effect, introducing new dispute resolution rules in the workplace.

Employment Relations Minister Pat McFadden said:

"Flexible working has been a great success. The change we are bringing in this month is about helping parents cope with work and family life. Both workers and employers have felt the benefits of flexible working since we first introduced the right to request.

"Firms can still say no if they have legitimate business concerns, but more than 95% of all requests for flexible working from working parents and

carers are now accepted, as employers recognise the benefits more and more.

Brendan Barber, TUC General Secretary, reacted positively to the changes stressing the benefits of greater holiday entitlement:

"The TUC is also pleased to see the increase in the minimum legal entitlement to paid holiday from 4.8 to 5.6 weeks per year. This is an increase of 24 to 28 days for a full-time worker on a five day week, with pro-rata increases for part-timers.

"We estimate that this will benefit two million employees, many of whom will be low-paid women, working part-time.

"At the other end of the scale, this extra holiday entitlement will help to address our long hours working culture, which is stopping many people from enjoying a proper work/life balance."

Recession hits traditional manufacturing areas hardest

Research published this week showed that cities in the North, Midlands and Scotland have experienced the biggest rise in job seekers' allowance claims in the last 12 months.

These are areas with significant manufacturing and heavy industry sectors that suffered during the last recession. Despite initial predictions that this recession would predominantly affect London and the South East, the Work Foundation report shows the dramatic impact on other regions.

The report author, Naomi Clayton, called on the Chancellor to do more to support the core cities in this month's budget:

"Policymakers ignore how recessions play out locally at their peril. It is to be hoped that the forthcoming budget focuses much more attention on the large cities – Manchester, Leeds, Birmingham – that can drive the

recovery, as well as recognising which areas need the most support to survive and prepare for better times."

Clayton went on to add:

"In terms of absolute numbers of new people signing on for JSA, it is the core cities of the north and midlands that are worst hit. Perhaps more revealing, though, are the council areas that have seen the sharpest upward movements in unemployment rates. These tell a story of a more traditional UK recession: some areas which had yet to experience the economic prosperity enjoyed by others are once more showing how vulnerable they are to downturns, especially if dependent on single employers."

To read the Work Foundation report, visit www.theworkfoundation.com

Recession may damage progress towards gender equality in the city

As many as ¾ of City professionals see redundancy as an opportunity to leave the sector and take up work elsewhere, a new survey from PwC shows.

PwC warns that the recession could have damaging effects on efforts to increase the number of women in senior positions. The survey, which mostly questioned women, showed that 80 per cent believed the recession would reinforce the glass ceiling.

Sarah Churchman, director of diversity at PwC, said: "The by-product of the recession could be to stall or reverse the sector's gender diversity progress and investment, short-changing the UK economy's recovery by removing or alienating a generation of female talent.

She emphasised the importance of HR policies in avoiding wider inequalities. "Securing and maintaining the recruitment, retention and development of women in mid-management roles now is the only way a pipeline of women in senior executive roles can be maintained in the recovery."

Events

Save the date – IPA AGM

The IPA annual general meeting will take place at 17.00, July 1st, 2009. The meeting is open to representatives from all IPA member organisations and advisory board members. More details to follow