



Good Work for Wellbeing in the Coronavirus Economy:

Key Messages and Recommendations

As a wellbeing-focused organisation the Carnegie UK Trust is concerned to understand how we can ensure the best possible jobs recovery from the Coronavirus crisis, both in employment levels and in quality of work. Our new report asks the question:

What does "good work" look like in the Coronavirus economy – and what are the mechanisms by which it might be achieved and sustained?

A note on our terminology

- Our term 'the Coronavirus economy' encompasses both the current and short-term outlook for the labour market in the prevaccine stage of the Coronavirus crisis; and the potential medium and longer-term impacts of the recessionary effects of the crisis.
- Our conceptual framework for 'good work' is based on the seven headline dimensions and 18 job metrics produced by a cross-sectoral Measuring Job Quality Working Group convened with the RSA in 2018. The seven dimensions and 18 job metrics are set out below.

What we did and our approach

We conducted our enquiry through an ongoing review of the developing literature on the impacts of Coronavirus; internal staff workshops and policy formulation; and intelligence gathering through 18 external stakeholder interviews. The 18 semi-structured qualitative interviews were conducted via teleconference in May and June 2020. Interviewees included representatives from the business community; trade unions; campaign and special interest groups; and other labour market experts such as academics and think tanks.

As far as we are aware, our research presents the first collated 'temperature check' of how key stakeholders in the world of work are feeling about the wide-ranging job quality implications of the pandemic. The insights that interviewees shared have informed the writing of this report and the development of our recommendations. However, those recommendations should be understood as solely reflecting the views of the Carnegie UK Trust.

We understand that many other organisations active in labour market policy and the 'good work' debate will be setting out their own ideas about what actions need to be prioritised to secure the best possible recovery from this crisis. Given the heavy demands placed on decision makers in policy and business by the pandemic response, we recognise the reduced capacity to make sense of, respond to, and take forward our various 'asks.' We believe it is incumbent on all organisations active in this debate to engage with each other, as far as possible, and to consider how we might align and amplify our messages where we share common areas of concern and ideas about possible solutions. This report is part of the Carnegie UK Trust's contribution to this kind of pragmatic collaboration for change.

Terms of employment

Job security Minimum guaranteed hours Underemployment

Health, safety and psychosocial wellbeing

Physical health and injury Mental health

Social support and cohesion

Peer support Line manager relationship

Work-life balance

Over-employment Overtime















Pay and benefits

Pay (actual) Satisfaction with pay

Job design and nature of work

Use of skills
Control
Opportunities for progression
Sense of purpose

Voice and Representation

Trade union membership Employee information Employee involvement

Key messages

1



Protecting jobs must be a priority

Access to employment is a key determinant of wellbeing and there has rightly been a major focus on protecting employment in the UK during the COVID-19 pandemic. This must continue. For 'good work' to matter, people need to have a job in the first place. Action to protect and boost employment must remain an essential policy priority for government, business and civil society during the coming years.

2



There is insufficient focus at present on 'good work'

There has been insufficient attention to date on the immediate, medium and long-term implications of the pandemic for key aspects of job quality. This includes issues such as pay; terms and conditions; health, safety and psychosocial wellbeing; job design; social support; work-life balance; and voice and representation. This matters, as while access to work is highly important to wellbeing, access to 'good work' is also vital. We need to redress this balance and renew our understanding of, and commitment to delivering, good work as we navigate a new, challenging labour market in the context of COVID-19.

3



The pandemic is deepening inequalities in access to good work

The crisis has impacted on all dimensions of job quality, affecting different industries and different groups of workers, in very different ways. However, the overall impact has been worsening inequality in access to good work. The groups of workers most adversely affected by the COVID-19 crisis are low-paid workers, people in precarious employment; the self-employed; women; young people; people with low formal skills; Black, Asian and Minority Ethnic (BAME) workers; people who are clinically vulnerable to Coronavirus, and people with disabilities. Many of these workers cluster disproportionately in the industrial sectors most impacted by economic shutdown or restrictions (e.g. women and young people in retail and hospitality)

as well as in frontline sectors working with those most vulnerable to COVID-19 (e.g. women and BAME workers in health and social care). These groups were amongst the most disadvantaged workers in their access to good quality employment, even before the onset of the crisis.

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Pay packets and incomes are under severe pressure

Pay has been hit hard by the pandemic, with many people experiencing a reduction in their income and hours, causing hardship for many lower paid workers. This is especially the case for those who have been made unemployed and for those furloughed on 80% of wages. The prospects for pay over the coming period do not look promising, with further job losses and reductions in incomes likely when the Job Retention Scheme (JRS) ends and is replaced by the Job Support Scheme (JSS). Restrictions to supress the virus appear likely to remain in place for many months, placing further pressure on employment, levels of pay and the number of hours of work available.

5



Low paid workers need and have earned a pay rise

Many low-paid key workers work in sectors whose efforts are highly visible on the frontline of the pandemic, such as social care. There has been widespread recognition of their efforts, as well as growing recognition of the need to tackle low pay more generally given the high levels of in-work poverty and the limited financial resilience among many households exposed by the pandemic.

6



Precarious work is likely to be on the rise

The trend towards precarious terms and conditions in the labour market, including the issue of employment status, is likely to remain a major challenge for job quality in the coming years. It is expected that the recession, and the volatile nature of dealing with a pandemic, will create a desire and pressure among employers for greater flexibility in their contract arrangements, increasing insecurity for workers.

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Health, safety and psychosocial wellbeing have moved to the top of the job quality priority list

As a public health crisis, it is clear that the COVID-19 pandemic has brought significant new focus, attention and concern to health and safety in the workplace. Key workers and publicfacing workers face a higher risk of exposure to COVID-19 than those working at home, while the crisis has created unprecedented new pressures on mental and physical health for almost all workers, which may have long-running impacts. Employers have significant responsibility to consider their employees' physical health, in respect of protection from the virus, and mental health in respect of the pressures of working in very different and often highly challenging environments during a pandemic. There is a clear impetus for action in both these fields.

8

The crisis has placed a huge strain on work-life balance for many workers

This impact is partly related to the wider societal impact of the virus, with the initial lockdown and now restrictions on leisure and socialising activities. During the initial emergency phase there were also significant additional pressures of childcare, home-schooling and other caring responsibilities for many working-aged people. Throughout the crisis, workers in all circumstances have experienced additional pressures which have impacted on the intensity of their work and their work-life balance. For those working in public facing roles, this includes the additional tasks and requirements involved in ensuring that workplaces are COVID secure. For those working remotely, working almost exclusively via digital platforms has brought new strains and expectations, isolation from co-workers and an often unhealthy blurring of boundaries between home and work.

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In the medium-term, there is potential for improved work-life balance through more remote and flexible working, but this opportunity is not shared equally across the labour market

The shift to home working for certain sectors has the potential to lever a sustained shift away from the standard 'office 9 to 5' in a way that may improve work life balance and autonomy for some workers. However, not all jobs can be done remotely, and flexibility is significantly more challenging to deliver in some industries and job roles than others. There is concern that those workers who may stand to benefit from greater flexibility and work-life balance in future are those who already have higher levels of job quality overall, further deepening inequalities in how people experience work across the labour market. Even within those sectors where work can be delivered remotely, there is significant inequality on experience depending on the suitability of home environments for work, and on the most important aspects of job quality for different workers. For example, greater flexibility may come at the cost of peer relationships, training, learning or progression opportunities; and there is a risk that the costs of creating appropriate home working spaces will fall to workers.

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Key workplace relationships, including those between colleagues and those between managers and staff have been tested during the pandemic

The nature of the crisis has placed significant pressures on all workplaces and the relationships within them, which are a key aspect of job quality. Organisations have had to deal with many challenging issues, including rapid shutdown; furloughing of staff; job losses; remote working; employees juggling work and caring responsibilities; reopening; and new operating arrangements to manage COVID-19 risks. This has tested key relationships. In some workplaces, trust and bonds have strengthened as people have gone through the experience together, while in others there have been growing feelings of isolation or disconnection. The experience has exposed the importance of good quality line management to support people to perform and thrive despite the emotional strain and disruptive changes brought by the crisis. The case for investment in this area, and in supporting workplace relations more broadly, is now stronger than ever.

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Many workers have had limited involvement in key decisions in their workplaces during the pandemic

The trade union movement has performed strongly during the crisis, negotiating at the highest level with government and attracting new members who have been represented and supported. However, levels of trade union membership and collective agreements are relatively low in international terms. The challenge of organising among remote workplaces may add to longer-running challenges constraining trade union activity, including legislative constraints and lack of tripartite structures at UK level. Moreover, it appears that consultation and engagement between employers and employees across the non-unionised parts of the labour market has been more patchy and it is not clear whether workers have been able to express their views and voice consistently and effectively. While government has issued guidance on the need to consult staff on certain issues, it is clear that this is an area where more needs to be done as the labour market is managed through the next stages of the pandemic. Strengthening worker voice and representation requires supporting the capacity of trade unions to represent more workers, as well as other means of individual, workplace and sectoral representation which are shown to be effective.

12 Investment in skills and training is going to be a key priority in the coming years

The pandemic is changing the shape and nature of the UK labour market, and some of these changes will be permanent. This means that investment in high quality skills and training programmes to help workers prepare for new roles and opportunities is going to be vital. There is a strong case for further public investment in this area, given that many employers' training budgets are likely to be under severe pressure in the coming years. It will also be important that these interventions are targeted at those who have been most adversely affected by the crisis, and who were already disadvantaged in both employment and job quality before the pandemic.

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We should be ambitious in setting a vision for a renewed focus on job quality coming out of COVID-19

The pandemic has brought significant pressure on employment, pay, terms and conditions, physical and mental health and working arrangements for many businesses and workers. But it has also opened up the labour market to interventions that would have been unimaginable 12 months ago. Issues such as how to better protect workers' incomes, how to protect the health of workers, and how to give employees greater control and flexibility over their working lives are now prominent public policy issues. The type of labour market that emerges from the COVID-19 crisis is not pre-determined, and public policy makers, businesses, workers and civil society organisations have many different levers at their disposal to design a new labour market that delivers on good work for all.

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A multi-strand strategic approach is required to deliver on a renewed job quality vision

Policymakers, businesses, worker organisations and civil society groups face many competing priorities in addressing the unprecedented impacts of the COVID-19 crisis. Within such a crowded landscape, there is no single approach that will deliver on good work. Instead, a multidimensional approach is required. This might include, for example, a better understanding of how good work contributes to improved workplace productivity; setting good work within national industrial strategy policies and local economic recovery plans; considering how the wide range of national, devolved and local government touchpoints with business can be used to lever good work responses; and fostering a culture of recognising and celebrating good work amongst business, civil society and consumers.

Recommendations



Supporting jobs and incomes



A multi-year jobs plan

The UK Government should build on what has already been achieved and commit to a multi-year focus on protecting jobs and improving job quality for people in work, recognising the long-term impact of the pandemic on the labour market. The government should adopt the Institute for Employment Studies' proposal to create a 'COBRA for jobs' to drive this multi-year strategy, bringing together national, devolved and local government departments and agencies, sector bodies, employer organisations and employee representatives. As a key part of this plan, particular attention and focus must be given to the groups of workers most likely to be disproportionately affected by the crisis. This includes low-paid workers, people in precarious employment; the self-employed; women; young people; people with low formal skills; Black, Asian and Minority Ethnic (BAME) workers; people who are clinically vulnerable to Coronavirus, and people with disabilities.

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Strengthen the labour market safety net

The UK Government should undertake a rapid review to identify, develop and pilot a range of measures that it can deploy to strengthen the safety net for workers during a prolonged period of economic and labour market volatility over the next two years. In addition to the Winter Economy Plan, the government should consider specific interventions to support incomes in areas where there are local lockdowns, further sector-specific support schemes, and maintaining or introducing additional social security payments. Given the geographic and sectoral nature of these interventions, it is essential that this work is undertaken in close dialogue with the devolved governments and with local government.



Learn and adapt continuously

The current labour market situation is unprecedented and changes continually, with increasing local variation. Starting with the Winter Economy Plan and Job Support Scheme, the UK Government should closely track the impact of its interventions over the months ahead and pivot, adapt and strengthen these if they are not delivering the desired outcomes. Devolved and local governments must be closely engaged in this process.



A renewed focus on good work



Good work at the heart of the recovery

The UK Government has previously set out a clear ambition for good work in the UK, and published a Good Work Plan. The government should reaffirm this goal and publicly commit to placing a focus on good work as a central part of the medium-term COVID-19 recovery plans.



Update on progress and set a new agenda for Good Work

As a first step, the UK Government should publish an update on progress against the Taylor Review recommendations it committed to taking forward in the Good Work Plan; set out a timetable for delivery on outstanding actions; and set out a new process for identifying additional measures that are needed to advance good work in the UK as part of the response to COVID-19.



Put disadvantaged workers at the centre of a new good work plan

The UK Government should set out a clear commitment and plan to work with organisations representing groups of workers most at risk of poor quality work in order to identify and implement effective, tailored responses to meet the needs of these groups.



Target improvements for social care workers

The pandemic has exacerbated and exposed many challenges to good work that exist in the vital social care sector. We recommend that the social care sector should receive particular focus and attention for job quality interventions as a matter of urgency. The UK Government's plans to reform social care in England should include an explicit focus on improving job quality for social care workers.



A new, national system for measuring good work

As part of a reaffirmed commitment to good work, the UK Government should work with the Office for National Statistics (ONS) to complete the task of setting out a new measurement framework for job quality in the UK. This should build on the work of the Carnegie UK Trust and RSA Measuring Job Quality Working Group, as well as the new questions on progression and employee involvement in decision making recently added to the Labour Force Survey.





Promoting and incentivising good work



Use points of leverage to support employers to deliver good work

The UK Government should use the unprecedented levels of reach that it currently has with employers, through the Job Retention Scheme; Job Support Scheme; Business Interruption Loan Scheme; Kick Start Scheme, and other interventions, to encourage employers to take action on key dimensions of good work. For example by:

- a. Reminding employers of their statutory obligations around pay, terms and conditions, health and safety, employee consultation and equalities
- b. Highlighting the importance of effective line management during the current crisis and signposting employers to the range of freely accessible good practice guidance on effective and supportive management practices
- c. Promoting resources to help employers develop good job design that offers greater flexibility and work-life balance for employees

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Assess potential for conditionality within COVID-19 support packages

The UK Government should undertake an assessment of the merits and challenges of applying conditionality within the COVID-19 support packages offered to employers, and consider the potential for providing enhanced support for those employers who commit to key aspects of good work such as training, guaranteed hours and high quality employee engagement.

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Procuring for good work

All public sector bodies should consider their commissioning and procurement processes and the various points of engagement that they have with employers and establish a clear plan for how they will use these tools to encourage and incentivise the provision of good work across the labour market during the next five years.

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Employer organisation support for good work

A range of employer membership organisations, industry bodies, and campaign groups have done vital work connecting businesses to guidance and best practice to support their staff during the pandemic, often making large amounts of free resources available to non-members. We recommend that these organisations continue to emphasise guidance around good work practices in their communications to members to support a 'job quality rich' economic recovery. For example by:

- a. Reminding employers to fulfil their statutory obligations around pay, terms and conditions, health and safety, employee consultation and equalities
- b. Highlighting the importance of effective line management during the current crisis and signposting employers to good practice guidance on effective and supportive management practices
- c. Promoting resources to help employers develop good job design that offers greater flexibility and work-life balance for employees
- d. Encouraging employers to sign up to the voluntary Living Wage, Living Hours or Living Wage Places accreditation schemes.

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Local action

All UK local authorities, towns and cities should look at their approach to driving good work using the levers available to them. They should consider joining or forming local 'good work' business pledges or networks, or signing up to the Living Wage Places accreditation scheme in order to expand the provision and expectation of good work in their area, and champion local employers who are committed to good work ideas.



Good work and economic recovery



A revised Industrial Strategy

We anticipate that the UK Government will be considering the future role of the Industrial Strategy in responding to the COVID-19 crisis and furthering the 'levelling up' agenda. A focus on the creation and sustainment of employment and good quality work should form a key part of any future industrial strategy policy.



Understand how good work supports productivity

Improving the UK's low workplace productivity will be more important than ever in the response to the COVID-19 crisis. The UK Government should build on previous work from the Carnegie UK Trust, RSA and Warwick Institute for Employment Research in this area; and the expertise amassed by the PrOPEL Hub and the new Productivity Institute to further develop the evidence base on how good work supports improved productivity. The government should ensure this evidence base is disseminated widely through key employer organisations.



Terms of employment



Tackle one-sided flexibility

The UK Government should publish the conclusions from the consultation on curbing one-sided flexibility without further delay and take forward the required actions based on the consultation response, making use of the forthcoming Employment Bill if required. As part of the proposed national review of flexible and remote working, there should be a focus on whether the significant growth in remote working during the pandemic has resulted in any new problems in 'one-sided flexibility', and for which groups of workers this is most problematic.



Encourage employers to offer Living Hours

Employers should consider signing up the Living Hours Accreditation scheme, as part of a commitment to deliver employment terms and conditions which support greater worker security.





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Deliver on the 2024 minimum wage target

The UK Government should deliver on its commitment to increase the minimum wage to two-thirds of median incomes by 2024 and provide targeted support to the sectors hit hardest by COVID-19 to help meet this target.

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Protect low paid workers' incomes now

If the Low Pay Commission determines that a minimum wage rise in 2021 is not feasible, then the UK Government should find alternative means of putting the money in low paid workers' pockets until the minimum wage can start rising again.

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Equalities pay reporting

The UK Government should now reinstate gender pay gap reporting and move forward with the implementation of ethnic minority pay gap reporting as a matter of urgency.



Skills and training



Continue to invest and innovate in supporting skills

Recognising the significant shift in skills that are needed in a labour market impacted by COVID-19, the UK Government should continue to build on the positive work to date in relation to the Kick Start Scheme, Adult Education, and the National Skills Fund and invest further to advance high quality training provision. This may be, for example, through the expansion of the National Retraining Scheme or through new initiatives like Personal Individual Learning Accounts.



Health



A new approach to health at work

Recognising the seismic impact of the COVID-19 crisis on health, the UK Government should implement an urgent review of whether adequate resources and infrastructure are in place to help employers fulfil their duty of care towards their employees' mental and physical health at work. Based on the outcome of this review, the Government should mandate and resource additional provision to ensure delivery of employers' responsibilities. This will include ensuring that relevant health and safety and enforcement bodies and campaigns are adequately resourced to respond to the heightened risks facing workers during the pandemic, including through the delivery of a robust regime around 'COVID' secure compliance and enforcement.



Job design and work-life balance



Assess the impact and implications of the pandemic for remote and flexible working

The UK Government should commission a national review of the impact of the unprecedented move to remote and flexible working at scale during the past eight months. The review should involve employer and worker representatives, including trade unions, to ensure all interests are represented. The review should establish best practice, challenges and lessons learned and address the specific short, mediumand long-term implications for different groups of workers, industries and job roles. It should then identify a series of actions to support employers in establishing healthy and productive approaches to remote working as part of future business models.



Employer evaluations of flexible working

Employers should carry out their own internal evaluations of the impacts of remote and flexible working during the pandemic and build the findings into their future plans. These evaluations should include consideration of how key job quality issues such as social support and cohesion, agency and purpose, and physical and mental health should be supported by the employer when staff are working remotely. In the meantime, employers using or considering extending the use of home working beyond the period that it is necessitated by the pandemic should avail themselves of best practice resources, from organisations such as the CIPD, CBI, and flexible working consultancy Timewise, to support staff to work remotely and flexibly in ways that will protect wellbeing and productivity.

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Building good job design across the whole labour market

Employers should consider how changes to job design could enable greater flexibility, productivity and work-life balance for staff, even where home working is not feasible or desirable. The UK Government should support job design innovations, such as those piloted by Timewise. For example, they could provide additional funding for pilot schemes to test the impact for workers and businesses of greater employee flexibility across a wide range of diverse workplace settings.



Voice and Representation



Assess employee consultation during the pandemic

The UK Government should commission new research to understand the level and quality of consultation undertaken by employers with their employees about changes during the pandemic. The research should assess what forms of consultation have been undertaken and what outcomes have been observed; the barriers facing employers to undertake duties to consult and involve employees in decision making; and provide recommendations for how these barriers can be addressed.



Remove barriers to strengthening worker voice

Strengthening voice and representation will be important to protect job quality in workplaces undergoing rapid change because of COVID-19. This requires supporting the capacity of trade unions to represent workers, as well as other means of individual, workplace and sectoral representation which are shown to be effective. The UK Government should review legislation governing trade union activity to determine how worker voice and representation might be enhanced in the COVID-19 labour market. This should include consideration on how the current restrictions on union access to workplaces could be amended to allow greater rights of access. The government should also bring forward its response to the Knight Review on digital balloting for industrial action, taking account of how the greater shift to remote working may strengthen the imperative to allow this.



Improve consultation guidance

The UK Government should update its advice to employers to consult with employees on making workplaces "COVID-secure" to include guidance on what constitutes meaningful consultation in non-unionised workplaces, and signpost to resources which will support employers to do this effectively. Acas, CIPD, Be the Business, the IPA, and trade unions provide guidance on how staff forums or work councils can best be constituted and operationalised as well as information on conducting effective workplace surveys and meetings to inform and seek the views of employees.



Build on approaches to consultation from the pandemic

Employers should build on the examples of meaningful staff consultation carried out on COVID-related matters during this period and ensure that such consultation is used to inform future decisions related to changes in job quality. Ongoing important decisions around health, safety and psychosocial wellbeing at work during the pandemic, as well as the continued and expanded use of home working, must be informed by workers' views as well as employers' views. At a national level, effective examples of sectoral dialogue should be taken forward by employer and worker representatives and this approach extended into other sectors, so that changes that achieve a balance between the needs of both workers and employers might be negotiated.



A greater role for the Advisory, Conciliation and Arbitration body (Acas)

Acas should be recognised and resourced to play a strengthened role in facilitating social dialogue and advising employers, workers, and policy makers to respond to the heightened challenges and opportunities for workplace relations arising from the pandemic.



Building the movement for good work

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Celebrate good practice

Employers who have sought to uphold and enhance good work practices during the pandemic should be celebrated. There is a role for employers, their representatives, sectoral bodies and trade unions to be vocal about how they have sought to achieve and sustain good work and to share good practice examples through their communications and networks.

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Civil society support

Other civil society actors and consumer-organised campaigns should draw attention to good employer practices during the pandemic and hold bad practices up to scrutiny, all as part of giving due recognition to employers and creating a cultural expectation towards good work.

We are grateful to the individuals from the following organisations who were interviewed as part of our research. Your time, thoughts and insights are greatly appreciated, particularly given the pressures of the current times.

- Gill Dix and David Taylor, Acas
- Adam Hardy, Be the Business
- Ben Willmott, Chartered Institute of Personnel and Development
- Kate Dearden, Community Union
- Ruth Boyle, Close the Gap
- Emelia Quist, Federation of Small Businesses
- Bill Scott, Inclusion Scotland
- Sarah Longlands, Institute for Public Policy Research North
- Tony Wilson, Institute for Employment Studies

- Louise Woodruff, Joseph Rowntree Foundation
- Joe Dromey and Jerome Finnegan, Learning and Work Institute
- David Stephenson, Mind
- Neil Carberry, Recruitment and Employment Confederation
- Tim Sharp, Trades Union Congress
- Torsten Bell, Resolution Foundation
- Becky Wright, Unions 21
- Chris Warhurst, Warwick Institute for Employment Research
- Deborah Hardoon, What Works Wellbeing

You can read the full report 'Good Work for Wellbeing in the Coronavirus Economy,' here.

Please get in touch if you would like to talk to us about our ideas, or challenge our thinking and pose alternative recommendations which could achieve better good work outcomes for citizens. You can do this by emailing the report author, Gail Irvine, on gail.irvine@carnegieuk.org

Carnegie UK Trust

The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913.

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