

## **Developing a Good Employment Charter for Greater Manchester:**

### **A summary of consultation responses**

The first consultation on the Greater Manchester Good Employment Charter took place in March and April 2018 received over 120 responses, split evenly between representatives of the public, private and not-for-profit sectors. Employers and employees responded from organisations ranging from fewer than 10 employees up to more than 1,000 employees, and from across a range of sectors. As well as individual employers and employees, respondents included business representative groups; trades unions; universities and other research institutions; public sector employers; campaign groups; and voluntary and community sector bodies.

The responses to the consultation provided a wide range of views on the characteristics of good employers and therefore on the characteristics which ought to be included in an Employment Charter. There was widespread support for a simple and straightforward Charter, but also for an ambitious charter that stretched employers and advocated the very best practice. Finding a way to deliver these two ambitions has been a goal in our design of the Charter.

The consultation's request for suggestions of employment characteristics that the charter should include produced a wide range of views. Remuneration of employees was a key issue raised by many with payment of the Real Living Wage a common feature of responses. Many respondents argued that accreditation with the Living Wage Foundation should form a key part of any Charter process, although others raised difficulties with formal accreditation with the Living Wage Foundation even where the Real Living Wage was being paid. Other remuneration issues raised were levels of pay inequality within organisations, pay gaps between different groups and the role that credit unions can play in supporting employees. The publication of gender pay gaps by larger employers has provided a mechanism for measuring progress in closing these gaps, while pay gaps at different age groups (both for older and younger workers, e.g. while doing apprenticeships) were also highlighted.

The importance of flexibility around the working day (including for carers) was highlighted, as was preventing the unwanted, enforced flexibility that can arise from some zero-hours contracts.

Open and transparent recruitment practices were highlighted as being important features of a good employer, as well as training and development opportunities for employees so that they can progress. These were linked to increasing access to work, both by hiring apprentices and supporting back-to-work programmes for those residents of Greater Manchester who are furthest from the labour market.

The role of good management was frequently raised including having a robust system of performance management and a proactive approach to increasing diversity and inclusion. The need for managers to be aware of, and act on, different forms of discrimination and harassment (for example during pregnancy or because of ethnic background or disability) was raised by many.

A productive and healthy working environment was seen by many as characteristic of a good employer, with adjustments for those with long-term conditions and disabilities, and a safe and comfortable working environment for all employees. Improving mental health and reducing stress in the workplace was seen as a growing challenge, linked to the need for fair remuneration, and job security.

Some respondents raised the promotion of understanding of existing employment laws and leave entitlements above the legal minimum. It was proposed that membership of the Charter should be contingent on an employer not having a tribunal finding against them in the last three years, although others have pointed out that this would then exclude some of the employers who it would be beneficial to engage in the Charter process so that they then improve standards.

Respondents also thought that involving employees in the development and direction of an organisation is an important characteristic of good employers. There are a variety of mechanisms for workforce engagement and giving voice to employees including trade union recognition. There was a range of views on trade union recognition, with some respondents seeing it as a key requirement of a good employer, while others pointed out that some sectors have little or no trade union organisation, and that including recognition as an absolute requirement in a Charter would be a barrier to many employers engaging with it.

Other characteristics of responsible employers who make a significant contribution to Greater Manchester were highlighted, beyond the key employment characteristics set out above. These included the good treatment of Small & Medium Sized Enterprises in supply chains (e.g. through ending late payment); purchasing locally; investing in voluntary and community social enterprises in supply chains; tackling modern-day slavery; developing links with schools and colleges; tackling traffic congestion through flexible working hours; delivering environmental goals (including outcomes of the Mayor's Green Summit); support for volunteering, and increasing the diversity of senior management in organisations. The work of employers across these areas is helping to deliver several of the aims and ambitions of the Greater Manchester Strategy.

The consultation asked for views on the form of the Charter and the structure that would underpin it. Many respondents highlighted the benefits of a tiered system, with an initial tier to engage a large number of employers, and increasingly comprehensive standards as organisations progressed towards high standards of practice. Respondents also thought that

this would be a positive means of supporting employers on a journey and directing them to existing support and best practice.

There was general agreement that significant charges for membership of the Charter would act as a barrier to employers voluntarily signing up, and that charges should be low or non-existent.

There was a wide variety of views on whether the Charter should have differential requirements between employers of different sizes and/or in different sectors. Some respondents argued that the key characteristics of a good employer were the same, whatever size they were; others said that more should be expected of larger employers because they have more resources to deliver higher standards; while others pointed out that different sectors have very different characteristics. Larger employers, who employ Greater Manchester residents, but also employ staff around the UK, or even internationally, face the additional challenge that they may not be able to meet distinctively Greater Manchester characteristics due to wider agreements on terms and conditions and the need to maintain consistency across the organisation or across the UK. All of these issues were set out in the context of the need for the Charter to be simple and straightforward for employers to join.

The benefits of Charter membership were also raised. Some respondents pointed out that the reasons for signing up to the Charter lie in its business benefits – the link between excellent employment practice, and the benefits it brings to businesses in reducing overall costs and raising profits, and improving the services provided by employers in the public and voluntary and community sectors. Several respondents highlighted the opportunities for mentoring that the Charter offered: the chance for larger and smaller employers from all sectors to share experience and best practice. This would require the capturing of examples of best practice through the Charter’s evaluation process (see below).

Other suggestions for providing incentives for employers to sign up to the Charter including linking it to public sector procurement in Greater Manchester, building on the social value approach which has been developing in the city region (see chapter 5 below). Some respondents not only said that linking procurement with the Charter would provide an incentive to join, but should also be based on the principled case that public spending based on taxation should be used to support higher employment standards. However, others were concerned that there would be a risk that Small and Medium-Sized Enterprises would be further excluded from public sector procurement

Many respondents pointed out the role which the celebration of high employment standards could play in spreading knowledge of opportunities to improve practice and encouraging employers to sign up. Some sort of awards ceremony or celebration event was proposed by several respondents, for those employers who demonstrated the best or most innovative practice. Some also suggested that there should be financial incentives for employers who sign

up to the Charter, for example through a reduction in their non-domestic rates (“Business Rates”), grants for training or reduced transport costs.

The need to avoid duplication, as far as possible, between the Greater Manchester Charter and other accreditations and standards – both local and national – was raised. Such duplication would be a significant barrier to encouraging employers to sign up, and therefore undermine the Charter’s impact given that it will be voluntary.

The consultation also asked for views on how Charter membership might be assessed and monitored. Many responses focused on the merits of external assessment versus those of self-assessment – pointing out both the ease and simplicity inherent to self-assessment and the comparative rigour of an external assessor. Some proposed that the Greater Manchester Combined Authority or Growth Company could take on this role, although others suggested that an independent third party would be preferable.

Some responses highlighted that, while some employment characteristics were easily measurable e.g. payment or non-payment of the Real Living Wage, others were more open to judgement and harder to assess through an accreditation process. A number of those involved in the co-design process also suggested that an employee survey would be an effective means of assessment, providing an opportunity to measure progress over time, capture the views of employees, and giving employees the chance to raise concerns if commitments made under the Charter were not being delivered. Others, however, expressed doubts about this approach, and the accuracy of results it would provide. Views also varied on whether a survey would be seen as a benefit or intrusive by employers. Another issue raised was how much information that had been shared for the purposes of accreditation would be made public.

The issue of re-assessment was raised, with periods of accreditation ranging from 6 to 36 months suggested. Some also questioned how employers who failed to meet the charter’s standards would be managed, and what steps would be taken to remove an employer from the scheme.

The need for the Charter to evolve in the future in order to reflect changing best practice was raised. Several respondents suggested that this work could be carried out by an independent panel which would ‘own’ the charter. Suggestions of membership for the panel varied – some advocated a mixture of employers, academics and representative groups, whilst others were of the view that the Charter should be owned by member employers.

The evaluation of the Charter, as a means of improving its development over time and assessing its impact, was raised as a key issue. Respondents highlighted data that could be used for assessment, including the number of organisations that become members; number of employees within those organisations; and other indicators linked to the characteristics of good employment set out above. Some suggested that Greater Manchester level data on good jobs

and productivity could be of use, although respondents from universities and other research organisations believed that it would be difficult to establish causality between the Charter and these data and that qualitative data and case studies would be a better means of evaluation.

These issues, key questions and trade-offs raised by respondents to the first consultation have been used to develop the proposed draft Charter set out in the next section. Not all the proposals made in the responses can be included in the Charter, particularly where different respondents had opposite views or contradictory proposals. However, they have as far as possible been incorporated into the proposed Charter and – even when this has not been possible – the range of views and issues raised have been used to refine the Charter and develop a robust model which could be effective in delivering the aims set out above and command the widest support.