

Building back making working lives better

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Disclaimer

This policy paper was written by Sir Brendan Barber, Acas Chair from 2014 to 2020, looking at how employers can build back better working conditions after the coronavirus (COVID-19) pandemic by creating a new workplace contract based on compassion, trust and equality.

Views are the author's own and do not necessarily reflect those of the Acas Council. This is not intended as guidance from Acas about how to improve working lives, nor as an endorsement by Acas of practices to be adopted in the workplace.

Introduction

The challenge for British policymakers, stakeholders and employers in the 'new normal' world of work is, in many ways, the same as it ever was: to make working life better for everyone in Britain. This also happens to be the [Acas vision](#). Yet coronavirus (COVID-19) has put into even starker relief the diversity and complexity of working life, with the pandemic's differential impacts on sectors and demographics; on knowledge workers versus frontline workers; on those in secure and insecure working arrangements; and around what kinds of work we value most as a society.

Pre-coronavirus, there was already some momentum around the question of what makes for 'good work'. These came not least from the government-commissioned [Taylor review of modern working practices](#) and the follow-up promotion of [RSA and Carnegie UK Trust's metrics of 'good work'](#). But as the world of work moves into new phases of the health crisis and a longer-term outlook emerges, there is a real danger that good work may be pushed to one side in favour of tackling day to day workplace survival and economic recovery.

This paper argues that, in order to 'build back better' we must capitalise on valuable lessons learned about working life during the pandemic crisis; and seize the opportunity to make sure momentum is not lost on balancing the importance of employee wellbeing with that of productivity. In short, we need a new 'workplace contract' that reflects our shifting values, new working practices and business priorities as we work towards economic recovery.

The drivers of fear

Many predictions for the future of work present a very bleak picture indeed. The [Office for Budget Responsibility](#) has predicted that unemployment may reach 10% by the end of the year; and the [Organisation for Economic Co-operation and Development \(OECD\)](#) has warned that the UK economy will contract by between 11.5% and 14% in 2020.

These predictions match what is happening to many businesses, with redundancies in large businesses becoming commonplace ([see Personnel Today](#)) and thousands of people ringing the Acas helpline every week to ask about how they let staff go or change their contract of employment.

Although most commentators acknowledge that things would have been much worse without the furlough scheme, (9.5 million jobs have now been furloughed - see [HMRC coronavirus statistics](#)), a [survey by the Centre for Labour and Social Studies](#) (CLASS) asking about broader confidence in the labour market found that the scheme "has not stopped people feeling that they are perilously close to disaster", with 6 million workers worried they'll be out of work in 6 months' time.

In addition to fears around job security, many people are facing struggles of other kinds in trying to live and work during the pandemic. Regional, gender, income and ethnicity differences are just some of the factors influencing who is impacted most by the crisis.

And recent [research by Benenden Health](#) also found that one third of people in the UK feel their mental health has been negatively affected by the current crisis. Concerns about wellbeing from both employers and employees were fast to come to Acas's attention as the pandemic unfolded; and contributors at recent Acas webinars reflect a new shared sense of anxiety, this time about how to return to work safely:

"I was diagnosed with PTSD, depression and anxiety a few years ago. I have a member of my household that is highly vulnerable. Can I be made to return to work?"

"I am the HR and Health and Safety contact for a small office team. What would you suggest that I do to look after my own mental health and flag up my own issues, as I have to listen and deal with lots of staff issues?"

"What can an employer do if an employee states that they can't return to work because they are so anxious?"

The wellbeing implications of the pandemic are unlikely to disappear overnight, with the [Royal College of Psychiatrists](#) saying that mental health services face a tsunami of cases following the coronavirus lockdown. Insights from Acas customers suggest that the crisis has worsened some pre-existing conditions and created a heightened level of stress and anxiety for many others. Employers may have the same names coming back to work but they may well be carrying a heavier load under the surface.

The lessons already learnt

The pandemic has not only brought with it many unprecedented challenges, it has also brought into sharper focus some longer-standing workplace issues.

Job security

Previous government-commissioned reports have highlighted impacts of the precarious nature of many atypical jobs, such as those on zero-hours contracts or working for agencies. Analysis of calls to the Acas helpline (see [Acas policy paper on everyday challenges for an atypical workforce](#)) has shown that this precariousness is often characterised not just by unpredictable levels of pay and hours, but by the real difficulty some can face in asserting basic employment rights through fear that their non-guaranteed hours may be cut as a consequence.

Alongside this strong perception of contractual fragility, [Acas's analysis of the nature of zero-hours contracts](#) (PDF, 179KB, 11 pages) has identified a strong 'commitment imbalance' in which insecure contracts are juxtaposed with a high level of emotional and vocational dedication; for instance among those in in caring and teaching professions. This contrast between 'high commitment jobs' and 'low commitment contracts' has been made even more starkly apparent during the COVID-19 crisis. Key workers, who society has come to recognise as essential to supporting the everyday life and health of the nation, are ironically those who often cannot themselves rely on dependable hours or income.

What will be the future of these workers? There has been an increased recognition amongst policy thinkers and campaigners of the imbalance between security of employment and business agility, including a [2019 government consultation on measures to tackle insecure work](#).

On the other hand, in looking at the pros and cons of these contracts, the [Taylor review](#) noted that the flexibility of the UK's labour market is often cited as a key reason that unemployment did not increase to the same extent during the last recession as in past recessions. This is not a new debate, and agreement on solutions is persistently hard to find. As we now move into another, coronavirus-induced, recession – and one that is widely predicted to involve high levels of unemployment – we can expect that this question may take on an even greater significance.

Inequality

There is growing evidence that Britain's lowest paid employees are paying the highest price for the health crisis. According to the [Resolution Foundation](#), among the lowest-paid fifth of earners before the crisis, 5% have lost their job, and a further 25% have been furloughed. In contrast, less than 1 in 10 (8%) of the top fifth of earners have lost work (3%) or been furloughed (6%). Reports have also found that those from black, Asian and minority ethnic (BAME) backgrounds, women, part-time workers and disabled people have suffered disproportionately during the lockdown.

Employers should be more alert than ever to ensuring that workplace practices remain consistent and fair; yet, as Acas head of diversity and inclusion, Julie Dennis, wrote in a recent blog post '[Don't let panic get in the way of good decision making](#)', the pace and the scale of change during the crisis mean many employers are currently making decisions in haste that may potentially be discriminatory under the Equality Act 2010. Acas helpline advisers have been taking calls on a wide range of scenarios, such as:

- pregnant workers not receiving risk assessments at this time, in contravention of employers' legal obligations
- disabled workers not being provided with reasonable adjustments, such as homeworking, or adjustments to enable them to work effectively from home

Compounding this inequality is the longstanding issue of [low awareness of basic employment rights and obligations](#) (PDF, 47KB, 7 pages); and the new challenge of how to implement the entirely unprecedented 'furlough scheme'. The ingredients are clearly there for, at a minimum, confusion and, at worst, potential discrimination.

A glance at some of the many questions people have been asking at Acas webinars on furlough illustrates this point; to give just one example, an employer asked: "How do we end furlough when many of my staff still have kids at home or are caring for vulnerable relatives?"

Reasons for optimism

The past few months have not just been about 'getting by', they've also been about reappraising what we value most at work and in the rest of our lives.

The re-evaluation of work

The spontaneous and organic way that many people have responded to the pandemic with acts of kindness has been a heartwarming feature of the crisis; notably the weekly show of respect and gratitude to the NHS and key workers during the height of lockdown.

In addition to health and care workers, other important workers in the nation's collective life have been at the frontline delivering goods and services. A welcome conversation about which skills and roles should be valued has been opened and is one we should all encourage to continue.

The appreciation we have all felt for the courage and dedication of these workers will inevitably link to questions of fair and appropriate pay and reward. But while we're currently seeing greater demands for better pay and conditions, perhaps mirrored by increases in trade union membership, it remains to be seen whether the public mood will result in tangible outcomes; and whether we might also see new forms of workplace collectivism in which mutual interests are given a higher priority in decisions that are made about our working lives.

Long-lasting cultural change

The experience of COVID-19 may well have given energy to a new and sustainable public interest in the need for organisational change. In the workplace there is a chance to harness this in respect of fair treatment and improved working conditions – all aspects of the good work agenda. It also aligns with a broader desire for deep-rooted cultural change – epitomised by the [#MeToo movement](#) against sexual harassment and abuse; and the current [#BlackLivesMatter campaign](#) against racial discrimination.

Perhaps the biggest facilitator of this change is employee voice; but as a recent [Acas paper on consultation 'A voice lost in a crowd'](#) highlighted, mechanisms for involving staff can get mired in discussing mundane issues. To ensure that cultural change is embedded in institutions in the longer-term, employers need 'robust voice mechanisms' and 'a willingness to work towards mutual interests', while 'acknowledging different starting positions'.

Acas advisers have come across examples of consultation being used as a force for good during the health crisis. In the experience of one adviser, "unions have worked constructively with management during this difficult time – often having to compromise to get things done." But equally, as another adviser said, "there are some horror stories about lack of involvement, snap decisions, furlough favouritism and so on."

A revolution in thinking on work life balance (for some)

The pandemic created a new divide in the workforce between those continuing frontline and service delivery work; and those with a new enforced regime working from home. It may have also created a divide amongst the latter about what is both desirable and what should be the new norm.

[Research by Cigna Europe](#) has revealed that, for those who can, working from home has increased overall job satisfaction, improved work relationships and is reducing work-related stress. This is to be valued, and consolidated; but the experience for many has been compromised by having to meet the challenge of working whilst simultaneously managing caring roles, by unsuitable working conditions, and by loneliness. As we return to a world in which education and social care provisions re-open, the question we now face is how the upsides of homeworking can be retained while the downsides are managed appropriately.

Some businesses will no doubt be looking at the cost savings that greater homeworking can bring, especially in a time of recession. Others may simply wish, or need, to go back to the traditional 'workplace' way of working as soon as possible. There are benefits to be gained, and risks to be managed, in either direction. Sector by sector will need its own new debate on this – about which roles can thrive at home, and which will be compromised. The live experiment of home working, and the opportunities it may bring for improved work life balance and employee wellbeing must be kept on the table.

Building better working lives

After the last economic recession, many people lost a level of trust in certain institutions and leaders. A decade or more later, and some of the same economic uncertainty lies ahead; but there are also very real challenges for the employment relationship, particularly around how safe and protected people feel in returning to work and what say they have in new working arrangements.

We can build better working lives and workplaces for everyone in Britain, and, as Acas Chief Executive Susan Clews said in a recent blog ['Fear and trust in the evolving world of work'](#), ensure trust wins out over fear, if we learn the lessons the past few months have

taught us, and make the most of the new opportunities that present themselves. To do this we need to create a new workplace contract that reflects the dimensions of work that contribute to productivity, wellbeing and good employment relations. We believe that this contract must make explicit promises about some of the core elements of the psychological contract; namely respect, compassion, fairness and, critically, trust.

To create this new contract, we must answer the following questions:

1. How do we create a fair balance between flexibility and fairness?
2. How do we review and revitalise voice mechanisms to build fairer, more inclusive workplaces?
3. Can we make flexible work arrangements the norm?
4. How do we balance the needs of employee wellbeing and business productivity?
5. Can we accept that short and long-term conflict will emerge; prepare for it and see it a creative force for positive change?

We wish to engage with our service users and our stakeholders in this wide-ranging debate over the coming months.

Contact us

Please email workplacepolicy@acas.org.uk to share your thoughts and suggestions.