# Building a Business Case for Good Jobs Research Report Launch

Labour Relations agency improving employment relations





## Gordon Milligan OBE Chair, Labour Relations Agency







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## Building a Business Case for Good Jobs: Research into the links between Good Work and innovation, productivity and employee health/wellbeing

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## Background

- Sustained political consensus across parties and across countries that good jobs are needed.
- The moral case for 'Good Work' as an expression of job quality but also need a business case to persuade employers.
- The Minister for the Economy's economic vision has four pillars, two of which focus on increasing number of good jobs and raising productivity.
- This approach will help address deep-rooted challenges in NI, including lower rates of productivity and employment and lower wages.
- However policy aspirations running ahead of the evidence; no big dataset to enable 'easy' assessment of job quality against innovation, productivity and health/wellbeing.
- In its absence need to rely on small-scale primary research for innovation and productivity but for health there's a traditional of systematic reviews and meta-reviews.



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### Approach

- Literature reviews (textual narrative synthesis) comparing the seven dimensions of job quality with three key business outcomes:
  - Innovation may be technological (product and process innovation) and non-technological (organisational and marketing innovations).
  - Productivity often measured as labour productivity, however, businesses tend to think more about efficiency and performance (measured by sales or turnover for example).
  - Employee wellbeing is a fuzzy term. It is more useful conceptually to focus on health covering both physical and psycho-social (mental) health.
- Illustrative Case Studies
  - Interviews with employees and managers at Northern Ireland based firms in the manufacturing and financial services sector.



### Innovation

Dimension	Summary findings
Terms of employment	Little research exists on the relationship between terms of employment per se and innovation.
	Research on temporary employment offers mixed findings – it can both help and hinder
	innovation
Pay and benefits	Financial incentives are important but it is the structure of pay packages rather than payment
	level that matters most for innovation
Health and wellbeing	Workplaces that are conducive to good health and/or can positively channel stressors make for
	a more innovation friendly environment.
Job design and the	Types of work organisation and organisational culture can help or hinder innovation; Taylorist work
nature of work	organisation and management approaches are a hinderance; non-Taylorist can help innovation.
Social support and	Social support amongst employees and from management can help innovation and innovative
cohesion	behaviour, though the evidence base is small.
Voice and	Innovation potential is higher in organisations with employee participation and voice, and a
representation	sense of belonging, however the evidence base around unions involvement in innovation is
	small.
Work-life balance	Reduced working hours and flexible working promotes innovation and innovative behaviour. It
	can also enhance learning and innovation processes both within and between firms.



### Productivity

Dimension	Summary findings
Terms of employment	While temporary employment negatively impacts productivity, no research appears to exist on the range of types of employment contact and productivity.
Pay and benefits	A positive relationship between pay and productivity exists across national contexts and at individual, firm and sector levels.
Health and wellbeing	A positive relationship exists between productivity, employee wellbeing and job satisfaction at individual and organisational levels.
Job design and the nature of work	Some forms of job design, including QWL and HPWS, can improve productivity in certain industries.
Social support and cohesion	Very little research exists; the little that does exist indicates a positive relationship between good social support at work and productivity.
Voice and representation	The effects of unionisation are mixed but shown to be good in certain industries and certain countries. Other forms of worker voice have shown positive increases in productivity.
Work-life balance	Longer working hours impedes productivity. A positive relationship can exist between WLB and productivity, particularly for some forms of flexible working.



### Employee wellbeing/health

Dimension	Summary findings
Terms of employment	Job insecurity and precarious employment and, to some extent, temporary employment have adverse mental health outcomes
Pay and benefits	Better pay associated with better mental and physical health. Some work- related benefits associated with lower mental health problems. Higher incomes associated with better physical and mental health outcomes.
Health and wellbeing	High demands and high strain in jobs without mitigation are linked to physical and mental ill-health.
Job design and the nature of work	Increased control over tasks and task variety are positively associated with health, particularly good mental health.
Social support and cohesion	Generally, social support from colleagues and managers can positively help mental health amongst employees.
Voice and representation	Positive relationship between unions and minimised occupational health risks.
Work-life balance	Working hours and shift work generally can both have adverse mental and physical health consequences.



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### **Case Studies**

- Manufacturing a Win-Win for Workers and Business in Kilkeel (Collins)
  - Global supplier of commercial airline seats with 50+ years of history
  - Award winning firm for employment practices
  - Worker centered efforts to improve productivity (efficiency) on the production line and in the office
  - "My main theory is a happy person, a motivated person will do the best job, will...take pride in their work, will take pride in their quality, will think about their customer and so on." Operations Improvement Team Lead
- High Tech Future for Good Business and Good Employment (FinTrU)
  - Successful financial services firm based in Belfast with offices across NI and the Globe
  - Award winning firm for job quality and an inclusive, employee centered workplace
  - Interviews highlight links between employee wellbeing, social support and cohesion, and performance.
  - Demanding workplace with systems in place to support balance and channel stressors



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### Conclusions

- It's an important and necessary task to establish the business case for good jobs.
- Need to draw on existing research in the literature but there are some evidence gaps that need to be filled.
- Overall, and appreciating the unevenness in the research base, findings indicate that good jobs have positive business outcomes for companies.
- Consequently, Northern Ireland's businesses might benefit from improving the quality of their jobs.
- That being the case, the task now is to work out how to make good jobs common sense common practice in Northern Ireland.



### Recommendations

- 1. Northern Ireland should maintain policy aspirations that would deliver good jobs.
- 2. Northern Ireland ought to give serious consideration to implementing a good employment charter.
- 3. The results of this research should be used to educate and inform all firms in Northern Ireland of the business benefits of good jobs.
- 4. There should be support for all firms in Northern Ireland to help them transition to providing more good jobs.
- 5. Targeted support ought to be considered for small firms in Northern Ireland to help them improve the quality of their jobs.
- 6. It is right that Northern Ireland should develop a measure of good jobs as part of its socio-economic metrics.
- 7. Researchers should be encouraged to address the data gaps and weaknesses around understanding of the business benefits of good jobs generally and in Northern Ireland specifically.



### For further information

Website: <u>https://warwick.ac.uk/fac/soc/ier/rewage/</u> Email: <u>rewage@warwick.ac.uk</u> Twitter: <u>https://twitter.com/rewageCovid19</u>

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## Gordon Parkes Executive Director – People & Culture NIE Networks







## Sinead Carville Chief Administrative Officer, FinTrU











### LABOUR RELATIONS AGENCY

#### "EMPOWERING PEOPLE DELIVERS SUSTAINED SUCCESS" – MAKING EMPLOYEE ENGAGEMENT REAL AND MEANINGFUL

#### GORDON PARKES EXECUTIVE DIRECTOR – PEOPLE & CULTURE, NIE NETWORKS 18 JUNE 2024



#### **NIE Networks**

The business case for the role of employee engagement/voice in shaping good jobs

#### Northern Ireland Electricity Networks

#### **NIE Networks - history**

- Employee engagement index 37%
- Inefficient lower quartile performance/productivity
- Pace of change slow
- Innovation low
- Highly unionised with adversarial employee relations
- Sickness absence levels high (8%+)

#### **NIE Networks**

The business case for the role of employee engagement/voice in shaping good jobs

#### **NIE Networks - today**

- Employee engagement index 84%
- Efficient upper quartile performance/productivity
  - Externally benchmarked
- Pace of change fast and agile
- Innovation significant and employee driven
- Highly unionised with strong effective union partnerships
- Sickness absence levels 2.5% in 2023





## WHAT WE DID

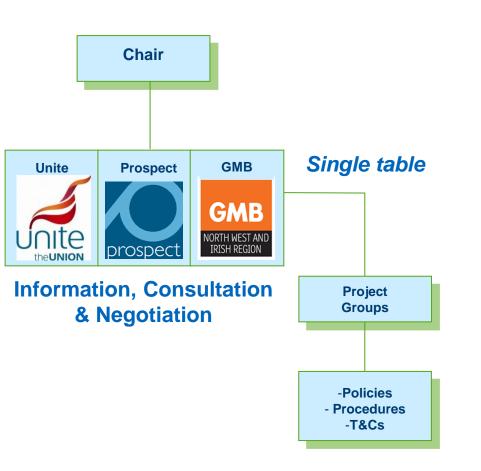
The Engagement Structure historically

#### Approach

- Single table collective bargaining
- Information, Consultation & Negotiation all take place in the same forum
- All negotiations take place at the same time

#### Outcome

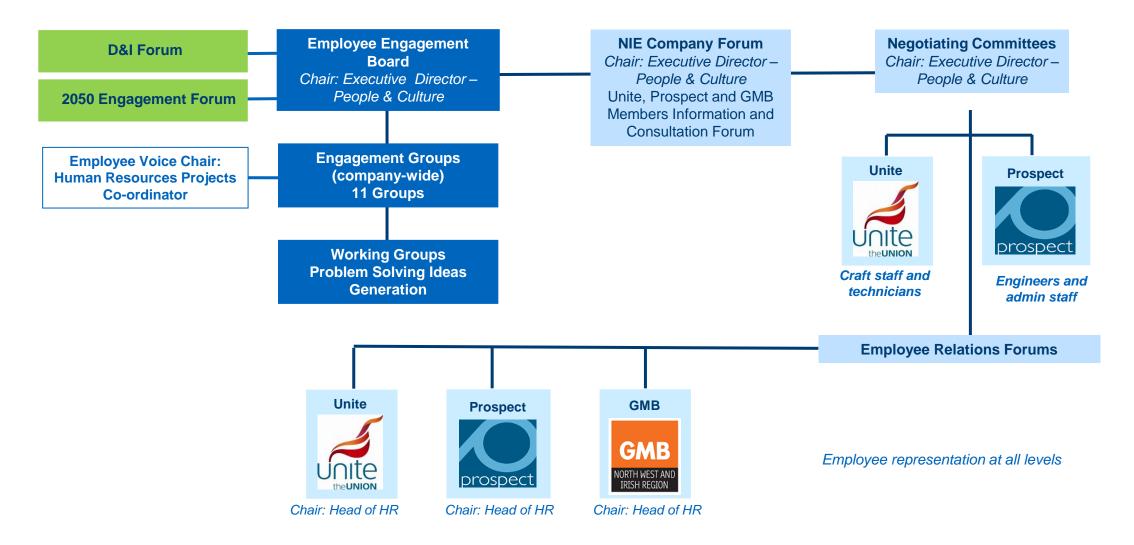
- Takes significant time to reach agreement & effect change
- Adversarial





#### The Engagement Structure today





**Action Groups** 





#### **Vision and Values**











## Values developed through the engagement process



- We transformed our culture and approach to leadership
- We introduced truly human leadership everyone matters
- We introduced Safer Together including local leadership teams
- We developed our Vision and Values through our employee engagement process
- Employee engagement/voice provides a powerful impact and opportunity for employee development



## THE RESULTS

- IIP Platinum (May 2024)
- CIPD NI Best Employee Voice Programme 2023
- CIPD NI Best Apprenticeship Programme 2023
- UK People Management Awards Best Apprenticeship Programme 2019
- UK People Management Awards Best Employee Strategy 2018

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Dimension	NIE Networks Actions
Terms of employment	Employees have an input into developing terms and conditions including employee benefits, flexible working and hybrid working
Pay and benefits	Employees are involved in salary benchmarking, the development of competency based progression and incentives and review of pension benefits and annual leave arrangements
Health and wellbeing	Health and Wellbeing Forum is totally empowered to design the company's approach to health and wellbeing and local champions implement actions within each geographic areas
Job design and the nature of work	Employees can evolve their role and responsibilities in line with their increasing skills and competence



Dimension	NIE Networks Actions
Social support and cohesion	Strong teamwork exists together with social club activities, mentoring support and diversity and inclusion champions exist across the company
Voice and representation	A permanent employee engagement board combined with strong collective agreement and collaborative union partnerships are in place
Work-life balance	Flexible working, hybrid working, condensed hours, reduced hours contract are widely available



#### **Benefits for NIE Networks**

- 1. A highly motivated and engaged workforce
- 2. Ability to implement changes quickly and be flexible and adaptable
- 3. Positive IR climate even in difficult situations
- 4. Increased employee retention currently 96%
- 5. Low sickness absence levels 2.5% in 2023

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## Dr Lisa Wilson **Senior Economist The Nevin Economic Research** Institute







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