

Written evidence submitted by Acas (PEG0238)

1. Acas welcomes the opportunity to respond to the Committee's inquiry into post-pandemic economic growth and the opportunities for a resetting of the UK economy.
2. Well-managed workplaces and good employment relations have a crucial part to play in both building and maintaining organisational resilience and stimulating economic growth. Therefore, policies and practices focused on improving how people are led, managed and engaged at work play an important role alongside macro-economic policy interventions in areas such as finance, infrastructure and decarbonisation. In Acas' view, it is vital that the part played by the workplace and good working relations is given appropriate attention by the Select Committee in its consideration of post-pandemic economic growth.
3. Acas is a statutory, non-departmental public body with a duty to improve employment relations in Great Britain. In 2019/20, Acas handled just under 800,000 calls from individuals and employers to our national helpline and our website received 15 million visits from individuals seeking advice and support. During the year we provided conciliation in more than 550 collective disputes and also received nearly 140,000 early individual conciliation notifications. Our network of locally-based advisers also trained around 50,000 people on a wide range of workplace-related topics. Acas has considerable practical experience of the dynamics of the workplace and of issues experienced by workers and employers.
4. As the UK economy faces the unprecedented twin challenge of adapting to the ongoing threat of the Covid 19 pandemic, together with a likely deep recession, Acas believes that its services will have an important role to play in supporting business change and maintaining and improving organisational effectiveness and worker wellbeing during this time.
5. Firstly, with many organisations across the economy looking to restructure, and managers and individuals looking to adapt to new ways of working, there is an acute need for employers and individuals to have clear, accessible and impartial advice on their rights and responsibilities during this time. For instance, in recent months, Acas' helpline and website has seen hugely increased demands for advice on furlough, redundancy and variation of contracts.
6. Secondly, even where the law and good practice are understood and implemented in practice, history shows that industrial tensions and individual workplace conflicts will inevitably increase significantly during times of recession. Acas' individual dispute resolution services are already seeing significant increases in volume, and demand for our collective conciliation service remains high.
7. Thirdly, many organisations, and especially SMEs, need practical assistance to engage their workforces in change, and we have evidence that many employers do not fully understand the legal obligations to consult, for example in redundancy situations. It is here that Acas' national network of expert advisers can work directly with employers, together with employees and their representatives, to help find practical, constructive solutions and avoid redundancies where possible. This help will be especially important to mitigate the impact of the pandemic on young people who many see as being most at risk.
8. The value of all these services to the economy has been independently assessed as bringing £12 of benefit to the economy for every £1 Acas spends.
9. Going forward, Acas will continue to review and target its services in response to emerging developments in the world of work and user demands. Acas also looks forward to working with the Department for Business, Energy and Industrial Strategy to provide appropriate support in delivering

government policy on the workplace in the post-pandemic context. Indeed, we have recently collaborated with them on a national campaign to help workers become more aware of their employment rights.

10. As the Committee will be aware, the UK continues to lag behind its major international competitors in terms of productivity. Independent research has shown that this lag can be accounted for, in part, by comparatively poor standards of workplace management in UK organisations. Of course, this is not to say that all UK organisations are poorly managed and indeed many of our leading companies are well up there with the best in the world. But there is a long tail, particularly of small and medium sized enterprises, where significant improvements could be made.

11. Acas' frontline services, which involve working closely with employers, employees and their representatives across Britain, gives it a unique insight into the practicalities of good workplace management. Over the last few years Acas has given close consideration to the links between workplace management practices and organisational productivity and has published a model of seven workplace 'levers' for productivity, which brings together Acas' experience with relevant research in this area. These 'levers' include well-designed jobs, skilled and confident line managers, strong employee voice and working relationships based on trust. We would be happy to explain more about these levers and their links to organisational productivity if the Committee would be interested.

12. The Covid-19 pandemic has posed many new challenges and will continue to do so as we look to deal with the inevitable economic downturn the country, and indeed the global economy, now faces. But it also presents opportunities and, by reflecting on some of the lessons about work that have been learnt over the past few months, it is Acas' belief that an ambition to build better working lives and workplaces for everyone in the UK could be embedded into post-pandemic economic growth policy. In particular, Acas would like to draw the Committee's attention to the following areas which have seen significant developments during the pandemic and which present important challenges and opportunities going forward.

13. **Flexible working:** Flexible working has received considerable attention during the Covid 19 pandemic with millions of people now working from home or adopting other flexible working arrangements. As a matter of necessity, employers across a wide range of sectors have found that many types of work can be done, or done in part, remotely, while surveys during lockdown have shown the widespread popularity of both home-working and other flexible working arrangements. At the same time, surveys have highlighted the challenges it can present for some individuals, for instance in terms of both isolation and the need to balance work with managing additional caring roles during the pandemic; and for employers and managers, for instance in terms of requisite technology and the skills needed for remote workforce management. There is also increasing evidence that women have carried a disproportionate share of domestic work and childcare during this time.

14. The many benefits of flexible working for both organisations and individuals are well-established by research and form an important part of the Government's proposals in the Good Work Plan and Employment Bill. Historically, however, the prevalence of flexible working arrangements has been relatively low across the economy. There is an opportunity now to learn from the positives and the negatives experienced in respect of the flexibility of working arrangements necessitated during lockdown, to ensure that employers and individuals across the economy can benefit from greater flexibility in ways of working where this is desired and feasible.

15. **Balancing flexibility and fairness:** Prior to the pandemic, policy attention was increasingly being paid to the issue of insecure forms of work and the balance between business flexibility and fairness. In particular, the use of zero hours contracts and other 'non-standard' employment contracts,

as well as the rise of the so-called ‘gig’ or ‘platform’ economy, have been the focus of much policy attention in recent years. The Covid 19 crisis has highlighted this issue yet further, for instance with regard to low pay and insecure contractual status for many ‘key workers’. The government’s commissioning of the Taylor Review (title) and the subsequent publication of the Link Good Work Plan has already sought to address some of the issues connected with insecure forms of work. However, as we now emerge from the health crisis into a likely economic crisis, and in the wake of a public revaluation of the vital role played by many of those in typically low paid and insecure forms labour, it will be important that policy attention on the issues of insecurity and low pay is maintained and renewed. In Acas’ view, fairness at work is one of the critical factors in ensuring productive and successful organisations, and the part these play in underpinning future economic growth.

16. **Equality:** Evidence continues to emerge on the disparity of impacts of Covid-19 on different demographic groups. There have also been instances of employers during the crisis taking snap decisions which may be unlawfully discriminatory. For instance, Acas through its national helpline has heard of cases of pregnant workers not being offered suitable work and of disabled employees not being provided with suitable adjustments. Therefore, going forward, alongside policies aimed at tackling the socio-economic inequalities caused by the pandemic, awareness raising and practical support for sector bodies and employers can also play a crucial role in promoting equal treatment and avoiding discriminatory action at work.

17. **Mental health and well-being:** The increasing recognition in recent years of the vital importance of managing mental health and well-being at work has been reinforced during the COVID 19 crisis. The last few months have seen serious mental health challenges presented to many, stemming for instance from fear about exposure to the virus at work, sudden adaptation to new ways of working, the pressures of managing dependants while working from home, acute feelings of isolation at work, as well as widespread concerns about financial and job security. As emphasised in Acas’ framework for positive mental health at work, organisations, managers and individuals all have a role to play in supporting mental well-being at work and it will be important that as we emerge from the pandemic that mental health should continue to be a priority policy issue.

18. **Employee voice:** As we seek to rebuild the economy, and address all the issues identified above, giving employees a voice at work and constructive engagement with employee representatives is a further issue that will be of paramount importance. During the pandemic we have seen widespread examples of businesses, trade unions and other worker representatives working closely together to ensure that workplaces can open safely and that workers can return with trust and confidence. There is a clear opportunity going forward to seek to build on this increased level of constructive communication and engagement at work, to capitalise on the many well-evidenced benefits of strong employee voice for organisations, workers and the economy. In Acas’ view, this should include consideration of the important role that is played by trade unions as well as worker involvement in responsible corporate governance.

19. We hope that these comments will be useful to the Committee in its deliberations.

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