

## What are Fair Work practices?

This Information Sheet provides examples of Fair Work practices and sources of evidence, which can assist public bodies in promoting Fair Work practices in procurement processes and help suppliers to better understand Fair Work and its benefits.

These Fair Work practices are mapped to the five dimensions of the Fair Work Framework, illustrated below.

Information on accreditations which may assist employers in their journey to become exemplars of Fair Work is also included.

The Information Sheet on [What is the real Living Wage?](#) sets out the benefits of paying the real Living Wage and is available in the [Toolkit](#).



### Trade Union representation (EFFECTIVE VOICE & SECURITY)

Trade union representation and collective bargaining agreements ensure that workers have an effective voice in the workplace. This is a vital aspect of Fair Work which we encourage all employers to adopt.

The [Fair Work Framework](#) highlights that in Scotland, unions are present in almost half of workplaces and collective agreements cover the terms and conditions of one-third of workers. Where pay is determined by a collective agreement, this applies to all workers (not just union members) thereby spreading the benefits of collective agreement more widely.

The Fair Work Framework also highlights evidence that workers want some form of voice at work to help them deal with problems and also to engage co-operatively with management to improve their working lives and the performance of their company.

Evidence shows that effective voice through trade unions can reduce absenteeism, increase turnover and enhance organisational productivity. Whereas, poor relationships between employers and unions can contribute to failing companies, under-valued workers and higher levels of conflict.

[ACAS](#) provide advice and guidance on how to exercise effective voice.

## Fair Contracts (SECURITY)

The [Fair Work Framework](#) states that contractual stability should be a core employer objective. Forms of flexible working where the burden of risk falls disproportionately on workers, including exploitative zero hours contracts, are not Fair Work.

Women are disproportionately affected by zero hours contracts, for example, women on zero hours contracts are not entitled to maternity leave.

The [Scottish Business Pledge](#) website highlights that businesses which offer stable contracts and avoid the use of exploitative zero hours contracts will in turn see benefits, for example:

- a more committed and stable workforce which means lower staff turnover and lower recruitment expense;
- lower stress levels among staff which means lower rates of absenteeism and sickness;
- more attentive and safety conscious staff with lower accident and injury rates;
- a better reputation as a fair and progressive employer; and,
- a stronger brand.

Furthermore, [Taking the High Road – Work, Wages and Wellbeing in the Scottish Labour Market](#), a report by the Scottish Parliament's Economy, Energy and Tourism Committee states that it is unacceptable for a business to use zero hours contracts which cause hardship to individuals due to regularly changing patterns of work; deny individuals their basic employment rights; and/or, deter workers from asserting their basic employment rights. Some workers may choose flexible contract arrangements to suit their circumstances, which offer sufficient security, protect workers' rights and do not undermine worker development and future progression.

Further information is available on the [ACAS website](#).

## Inappropriate use of umbrella companies: (SECURITY & RESPECT)

An umbrella company is one which acts as an employer to agency workers who work under fixed term contracts assignments. This is also referred to as false self-employment.

Inappropriate use of an umbrella company is inconsistent with Fair Work. This could include exploiting workers through administrative charges, deductions from wages, issuing incomplete or confusing pay slips, moving workers on to an umbrella company without their consent, and using them to reduce workers' rights including holiday pay and sick pay.

## INFORMATION SHEET

### Women on Boards (OPPORTUNITY & RESPECT)

Inclusive and diverse boards benefit from fresh perspectives, new ideas and broad experience. A company with a board that reflects the people it serves is better able to understand its customers, and the [UK Government](#) cite growing evidence that companies with more women on their boards outperform their male-dominated rivals.

The [Gender Representation on Public Boards \(Scotland\) Act 2018](#) received Royal Assent on 9 March. The Act sets a “gender representation objective” for the boards of listed Scottish public authorities that 50% of their non-executive members are women.

The Act also places duties on public authorities, appointing persons and Scottish Ministers in connection to their role in achieving the gender representation objective.

Over 200 organisations from the private, public and voluntary sectors have already pledged to work towards 50/50 by 2020 by signing up to the [Partnership for Change](#) campaign.

### Diverse Workforce (OPPORTUNITY & RESPECT)

Addressing the challenges experienced by specific groups who are disadvantaged in the labour market, including minority ethnic, women, disabled people and older workers, is a key element of Fair Work.

Diversity is about accepting and valuing the differences individuals bring to the workplace and about supporting people to fulfil their potential.

For employers, fair opportunity leads to diverse organisations where all talents from all sections of society are valued, developed and utilised. Employers can support a diverse workforce through ensuring fair approaches to recruitment, training and development and promotion.

The [Fair Work Framework](#) recommends that employers:

- interrogate their workforce profile to identify any barriers to progression and to address these creatively;
- draw on expertise of trade union equality representatives where they exist;
- show evidence of a genuine value being placed on equality and diversity;
- adopt a life stage approach that helps workers at all ages maximise their contribution;
- develop positive community engagement to tap into new sources of diversity and to help motivate and engage existing workers;
- use buddying and mentoring to support new workers and workers with distinct needs; and,
- undertake equalities profiling in terms of training, development and progression and use this information to prioritise investment.

## INFORMATION SHEET

### Closing the Gender pay gap (OPPORTUNITY, SECURITY & RESPECT)

The [Equality Act 2010 \(Gender Pay Gap Information\) Regulations 2017](#) came into force on 31 March 2017 for English public authorities, cross-border authorities and non-devolved authorities with 250 or more employees. The regulations also came into force on 6 April 2017 for private and voluntary sector organisations with 250 or more employees in England, Wales and Scotland. The regulations require any organisation that has 250 or more employees to publish and report specific figures about their gender pay gap.

Gender pay gap requirements placed on the Scottish public bodies are set out in the [Equality Act 2010 \(Specific Duties\) \(Scotland\) Regulations 2012](#). This requires reporting under the Public Sector Equality Duty to provide information on gender, race and disability pay gaps and equal pay statements every two years.

In many parts of Scotland, public bodies are among the largest employers and as such can have an important exemplar role in recruiting female employees on an equitable basis and supporting their career development into senior decision making roles.

The Scottish Government is working closely with trade unions and organisations such as Close the Gap to challenge and change employment practices and workplace cultures. [Close the Gap](#) highlight a range of business benefits for employers who take action to close the pay gap including higher retention, reduced costs, improved morale and employee engagement, higher levels of innovation and productivity, effective skills utilisation, and lower legal risk of a costly tribunal claim.

Close the Gap recommend employers undertake an equal pay review (audit) in the first instance, to ensure that pay systems are fair and transparent. Employers can also consider reviewing flexible (family friendly) work practices to help retain and attract female talent to their business. Their online assessment tool [Think Business, Think Equality](#) enables employers to assess their employment practice and provides a tailored action plan to support businesses make positive change.

Trade Unions provide advice and support for women in the workplace and employers are strongly encouraged to ensure trade union representation is in place to support all workers.

## INFORMATION SHEET

### Training and Development (FULFILMENT)

The chance to access training, to maintain skills, and to learn new things; and the opportunity for personal growth and career progression are central to delivering fulfilling work.

Where available, utilise the skills of Union Learning representatives.

Workers with an income of under £22,000 per annum may be eligible for an [Individual Training Account](#). The scheme provides eligible individuals with funding of up to £200 per annum towards training which will help them progress in the workplace. The scheme also supports employers by providing workers with opportunities to improve their work-related skills and qualifications.

By signing [Scotland's Digital Participation Charter](#) your organisation can commit to digitally skilling up your workforce, members and stakeholders. The charter provides a useful framework for support and training to skill up Scotland.

### Offering Flexible Working (RESPECT, OPPORTUNITY & FULFILMENT)

[The Flexible Jobs Index](#) highlights that a more flexible jobs market will benefit employers, workers and their families, and the economy. Forward thinking employers already understand the business case and are using flexibility as a key tool to attract a diverse range of talent into their organisations.

By offering flexible working, employers are providing their workforce with a better chance to strike a balance between work and other commitments. This could be particularly important to workers who have caring responsibilities or workers with a disability or ill-health. In turn, evidence shows that offering flexible working patterns can result in better employee engagement, motivation and retention.

There are many forms of flexible working. It can describe a place of work, for example [homeworking](#), or a type of contract, such as a temporary contract. Other common variations include: part time working, flexitime, job sharing and shift work.

[ACAS](#) provide advice and guidance on the right to request flexible working and a Code of Practice for employers on how to handle requests for flexible working.

Family Friendly Working Scotland promote the development of family friendly workplaces across Scotland and encourage employers to adopt the 'Happy to Talk Flexible Working' strapline on job adverts, as a signal that a job can be done flexibly from day one. The Scottish Government as an employer has adopted this strapline and strongly encourages all public sector employers to do so.

## Fair Work – Accreditations

This section provides information on accreditations which may assist employers in their journey to become exemplars of Fair Work.

### Scottish Living Wage Accreditation



To sign up to the [Scottish Living Wage Accreditation Initiative](#), companies must pay directly employed staff over the age of 18 the real Living Wage, as well as paying it to subcontracted workers, such as cleaners, who regularly (2 hours in any given day for 8 consecutive weeks) provide services on site while they are on site. Accredited companies will be awarded the Living Wage Employer mark to promote accreditation and will be invited to Living Wage Week events in November each year.

Employers who have signed up to the Scottish Living Wage Accreditation Initiative, are reporting the business benefits of paying the real Living Wage. [Research](#) undertaken by the Scottish Living Wage Accreditation Initiative conducted on accredited employers who have introduced the real Living Wage shows: a 25% fall in absenteeism; 80% of employers believe that the real Living Wage has enhanced the quality of the work of their staff; 66% of employers reported a significant impact on recruitment and retention within their organisation; and, 70% of employers felt that the real Living Wage had increased consumer awareness of their organisation's commitment to be an ethical employer.

### The Scottish Business Pledge



The [Scottish Business Pledge](#) is a shared mission between Government and business, with the goal of boosting productivity, competitiveness and sustainable employment through Fair Work, workforce engagement and development practices.

The Pledge comprises nine individual elements: real Living Wage, zero hours contracts, workforce engagement, balanced workforce, invest in youth, innovation, internationalisation, community and prompt payment.

To make a Business Pledge, a business must be paying the real Living Wage to all directly employed employees over the age of 18, already delivering on at least two other elements as outlined above, and be committed to achieving the rest over time.

By making its pledge, a business demonstrates its commitment to these values and to deliver them through its actions and future plans. In doing so, a business can demonstrate a positive and progressive approach to Fair Work practices. Furthermore, a business can reap the benefits of having a reputation as a fair employer.

### Investors in People (IIP)



[IIP](#) is an internationally recognised standard held by over 10,000 organisations across the world. IIP is “underpinned by a rigorous assessment methodology and a framework which reflects the very latest workplace trends, essential skills and effective structures required to outperform in any industry”.

Reflecting the very latest workplace trends and backed by academic research, IIP is a high performance framework providing a foundation for a simple and robust approach by measuring an organisation's people management practices. IIP delivers insights through best in class sector benchmarking, recognition through international accreditation and access to a clear performance improvement plan.

Organisations can achieve IIP accreditation at standard, Silver, Gold or Platinum level. An organisation achieving Platinum level is deemed to have embedded a range of high performance work practices, many of which will be compatible with Fair Work principles.

## Investors in Young People (IYYP)



[IYYP](#) is a core part of the Scottish Government's Developing the Young Workforce agenda, centering on provision of support for employers.

IYYP harnesses the skills, talents and creativity of young people in order to help organisations become sustainable and profitable.

Attracting, recruiting and retaining young people is a great way to develop a more dynamic and productive workforce, which can help tackle issues such as an ageing workforce, skills gaps and shortages, talent development, succession planning and customer insight.

The IYYP Impact and Evaluation Report of 2016 analysed the impact and value of IYYP through capturing the views of accredited employers on their IYYP experience, and the impact and value of it on their organisation:

- 125 IYYP accredited employers undertook the survey
- 93% of respondents reported a positive or very positive impact in using IYYP
- 82% found that the IYYP framework provided them with a clear link between the needs of the organisation and the recruitment and development of young people
- 78% also found that the IYYP framework provided them with the advice and guidance they need to recruit, retain and develop young people.

## Healthy Working Lives Award Programme



[The Healthy Working Lives Award Programme](#) helps employers identify issues and improve health, safety and wellbeing in the workplace, all of which are important aspects of Fair Work.

Healthy Working Lives offer on-going support throughout the programme and listed the benefits of achieving the Award as:

- a healthier, more motivated and productive workforce;
- reducing absence rates and supporting employees in work and returning to work;
- reducing accidents, incidents and work related ill health;
- enhancing your reputation and increasing your profile; and,
- contributing to the health of the wider community.