

21st MEETING - NATIONAL ECONOMIC FORUM: 19 NOVEMBER 2018

DISCUSSION REPORT: Fair Work and Gender Pay Gap Action Plans

Host: Jamie Hepburn MSP, Minister for Business, Fair Work and Skills

Speaker / facilitators: Professor Patricia Findlay and Lilian Macer

Scribe: Sarah Griffiths, Scottish Government

Summary

The discussion on the Scottish Government's Fair Work and Gender Pay Gap action plans provided delegates an opportunity to input to both action plans ahead of their imminent publication.

The discussion covered a range of topics including procurement, communication, the Living Wage, education, legislation, pay and parental leave.

Introduction and Background

The session was opened by the Minister for Business, Fair Work and Skills thanking delegates for their attendance. The Minister highlighted the importance for an open, honest and frank discussion ahead of the publication of both the Fair Work and Gender Pay Gap action plans and that today's discussion provided the platform for stakeholders to do so. The Minister thanked the facilitators, Lilian Macer and Professor Patricia Findlay for their support to the agenda and invited their opening remarks.

Lilian Macer, Scottish Convener for Unison, NHS Lanarkshire Board Member and member of the Fair Work Convention highlighted her passion and excitement for the Fair Work agenda, explaining the vision for the Fair Work Convention is for Scotland to achieve world leading working lives by 2025. She explained the work of the Fair Work Convention started in 2015 where it specifically looked at the Fair Work practises within the Social Care Sector through the lens of the worker. Lilian was clear on the need for a partnered effort to make Fair Work a reality in Scotland.

Professor Patricia Findlay, Professor of Work and Employment Relations at University of Strathclyde, member of the Economic and Social Research Council and Academic Adviser to the Fair Work Convention amongst other roles, referred to the Q&A from the main discussion. She explained that Fair Work was the overarching strategy that wrapped around many of the Scottish Government priorities including tackling the Gender Pay Gap and the Disability Action Plan. She explained the Fair Work agenda provided an overarching debate on inclusive growth which Fair Work sits at the heart of.

Patricia explained to the delegates the challenges faced by business to do the everyday job while noting the wider economic priorities such as the Living Wage and skills agenda. She advised delegates; currently the Gender Pay Gap action plan was drafted but highlighted it was a difficult task. The UK Gender Pay Gap is variable, sectors such as Social Care have no Gender Pay Gap as its low paid and the workforce is dominated by woman. Patricia also highlighted the Gender Pay Gap is prevalent due to a number of factors; social attitudes, constraints, mobility, attainment, subject choices and employer practises amongst a plethora of others. Patricia highlighted the need for positive real action in order to reduce the Gender Pay Gap.

Both Patricia and Lilian welcomed thoughts from delegates.

Topics discussed:

Procurement

The main topic of discussion was around the procurement of goods and services in relation to Fair Work. Delegates highlighted that specifically in the Third Sector, short term annual funding contracts are affecting organisations ability to retain staff due to the certainty. It was also highlighted that short term funding contracts are poor value for money, lack job security and don't allow for consistency. Delegates also explained the lack of uncertainty distracts organisations from being able to become Living Wage accredited as there simply is not enough time. Costs and benefits of annual procurement contracts should be looked into in more detail.

Delegates also highlighted the need for better procurement regulations. Noting that Fair Work is in public procurement contracts but unknown as to what weight the Fair Work criteria has on awarded contracts. Scotland could learn from other countries like France, particularly Grenoble who have specific criteria for the awarding of public funds.

Communication

Discussion on communication centred around messaging. Delegates highlighted the importance of messaging on both Fair Work and the Gender Pay Gap stating clearly the significance of business-to-business learning and shared learning. Facilitators highlighted the shared cross sectoral challenges and the how sectors can learn from each other. Delegates discussed the importance of the narrative of both policies, being clear on its prominence in everyday work. Facilitators highlighted to delegates the challenges of implementing Fair Work across Scotland but urged delegates to use platforms such as the National Economic Forum to tell the Scottish Government the challenges faced.

It was also discussed a lack of understanding of the Gender Pay Gap.

A delegate from an Engineering organisation spoke about the difficulty in attracting females to the sector, explaining in general a lack of people looking for employment. The delegate highlighted the importance of case studies and communication to females from a young age to ensure they have the correct information and support to move into sectors such as engineering. The delegate also highlighted a lack of information/business support on topics such as wage setting, Gender Pay Gaps and Fair Work.

Living Wage

Discussion on the Living Wage particularly concentrated on the experience of the Charity Sector. With delegates highlighting a lack of commitment to the Living Wage within the sector due to the uncertainty of funding (refer to the point made under the heading Procurement). Delegates discussed the benefits of the Living Wage being set in legislation rather than being optional to employers.

Education

The discussion on Education covered two main areas – inspections and pay. Delegates highlighted the role of education in linking key Scottish Government strategies like Fair Work and the Gender Pay Gap but noted that schools will only teach what they are being inspected on so a wider look at the inspection process needs to be examined. Delegates again, highlighted the importance of educating people on Fair Work and the Gender Pay Gap from an early age to embed Fair Work from the beginning.

A delegate spoke specifically about the education workforce of which 80% are not earning the Living Wage. The delegate explained the importance of raising attainment for women in education.

Legislation and Regulation.

Discussion on legislation was mainly around setting specific legislation on Fair Work and the Gender Pay Gap. In particular, delegates mentioned the good intention that Fair Work asks for. However, by putting appropriate social behaviours in legislation, it takes away the option, this would help particularly with the take up of parental leave.

There was discussion on regulation, using the Charity Sector as an example which a delegate explained seemed very regulated but in fact was light touch. The delegate highlighted that the regulations with the Charity Sector didn't look at human behaviour and unconscious bias – two main factors of Fair Work and the Gender Pay Gap. Facilitators explained the importance of good regulations to support good practice but regulation wouldn't necessarily lead to the embedding of Fair Work practises and that the Scottish Government should use appropriate lever to ensure Fair Work is embedded across all Government policies.

Parental Leave

Delegates discussed the lack of take up of parental leave and the importance of having it shared. A delegate explained the majority of lawyers were now female but the job wasn't necessary family compatible due to the long working hours and lack of flexibility and was leading to a high female dropout rate. The delegate explained the importance of making things more equal.

It was also highlighted the lack of men taking parental leave as it is viewed as a career disadvantage.

Facilitators discussed the reasons why jobs, like lawyers, were incompatible with family life highlighting the need to change the job rather than the people doing them. The Netherland model was specifically mentioned as a good practise example.

It was highlighted by a delegate the lack of support for elected members who wish to have a family, noting that there are less female elected members due to the lack of maternity pay.

Pay Setting

Pay setting dominated the breakout discussion with delegates discussing a range of topics. Delegates discussed the power which employers have to set pay and that strategies mainly look at upskilling but are missing the ability to set pay and the importance to bring up the low pay sectors.

In contrast, a delegate highlighted agreement in the powers employers have to set pay but that they were determined by market constraints, however, it was noted employers choose to place themselves within markets.

Delegates from Local Government highlighted a lack of Gender Pay Gap in their organisations and spoke about their job evaluation process. It was noted the job evaluation process was positive and the Local Government job evaluation framework promoted good practice but also allowed local authorities to all have different evaluations in place – there was no shared job evaluation process.

Gender Pay Gap Practises

Delegates shared their organisation's experience of the Gender Pay Gap. It was mentioned by one delegate that the process of being Investor in People accredited included an investigation into their Gender Pay Gap which resulted in their organisation setting Key Performance indicators regarding it which their Board reviewed annually.

Another delegate shared their organisation was keen to improve their Gender Pay Gap ,ultimately due to improving inclusion and setting a stronger view on value within the

organisation. The delegate highlighted the organisation had a three year Gender Pay Gap strategy in place.

It was noted a lack of viable data in regards to the Gender Pay Gap and delegates spoke about how the current calculation doesn't tell the full story in each organisation.

Closing Comments

The Minister for Business, Fair Work and Skills welcomed closing comments from both facilitators who highlighted the helpful and impactful discussion that had taken place.

It was noted the importance of trade union input to the work on both Fair Work and the Gender Pay Gap, highlighting their key contribution to both action plans.

Facilitators spoke about the challenges faced in implementing both the Fair Work and Gender Pay Gap action plans and specifically the importance in collaborating on the action plans and to be clear on the level of ambitions. Facilitators mentioned the risk of getting some of the actions wrong, noting that it was important to test and adapt policies as they were implemented to ensure maximum impact.

The Minister summed up by reassuring delegates that the majority of today's discussion was already covered in both draft action plans. The Minister noted from the discussion further work on both actions plans were needed on procurement, culture, regulations and the need to ensure both action plans are viewed long term.

**Scottish Government
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