

Equalities and Wellbeing in Manufacturing Recommendations One Year Report

August 2023

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Purpose

1. To report on the progress made against the recommendations contained in the [Equalities and Wellbeing in Manufacturing Recommendations Report](#) (the Report) in the year following its publication.

Background

2. The independent Equalities and Wellbeing in Manufacturing working group was convened after discussion at the Manufacturing Strategic Leadership Group and with the approval of the then Cabinet Secretary for Finance and the Economy, Kate Forbes, who Co-chaired the group. The aim of the working group was to help develop actions to support three priority areas (Leadership, Flexible Working and Mental Health), which Scottish Government (SG) had identified via Equality Impact Assessments as being imperative to foster inclusive, diverse and healthy workplaces.
3. SG facilitated the working group meetings and provided secretariat. The actions developed by the group were included in the Report, which was published on the SG website on 13 June 2022.
4. The aim of this review is to assess the extent of progress has been made against each of the action points by government and industry.

Delivering Outcomes

5. The Report makes a number of recommendations for government and industry. Over the year we have worked alongside a number of committed industry and public sector partners who have assisted us to meet a number of the recommendations. The report's Annex provides details of the recommendations that have been delivered over the past year, as well as details of those that have been more challenging to fulfil.
6. The report was well received by industry leaders, with a number of business organisations facilitating working groups and events on equality and wellbeing; and more importantly some inspirational manufacturers willing to share their best practice with other businesses in the sector.

Barriers to delivering recommendations

7. The Scottish Government works within a finite budget in attempting to address the numerous challenges created by the cost of living crisis. Thus the availability of budget to address these specific equality and wellbeing concerns has been constrained, creating a restrictive effect on the ability to drive forward the recommendations at pace.
8. That said we have been working with colleagues responsible for existing government funding, in the form of various equality and training funds, with the goal of supporting employers and business organisations to deliver the recommendations. We remain committed to working with colleagues, internally and externally, to help industry access

these funds and/or additional funding whilst supporting complimentary policy objectives and accountability/audit needs.

Next Steps

9. There are a number of opportunities to embed equality and wellbeing in all manufacturing related policy work:
 - a. The articulation of such issues in the Scottish Government's ten-year National Strategy for Economic Transformation (NSET);
 - b. the sectors transition to low carbon manufacturing, noting the emphasis on net zero ambitions within employers as a driver for careers in younger constituent groups; and
 - c. the increased adoption of automated and digital processes,.
10. Continue to work with stakeholders, including academia, public authorities, industry and equality groups, to promote and support equality and wellbeing as a key driver in the recruitment and retention of a healthy, diverse and talented workforce.

Equality and Wellbeing Recommendations Health Check and Next Steps

ID	Who	Recommendation	Output	Next Steps
L1 Complete	SG	<p>Recognising the high proportion of SMEs in the manufacturing sector and their relative lack of capacity, the Group recommends that the SG identify and work with appropriate stakeholders to determine the best means to support SMEs develop their own inclusivity and flexible working policies. The delivery of that objective should have clearly defined stretch targets on the number of assisted SMEs.</p>	<p>SG provided grant funding to Flexibility Works, who, in conjunction with CeeD, developed 3 flexible working video case studies featuring SME manufacturers who have introduced flexible working for front line production staff, allowing the workplaces to be more inclusive. This has been followed by knowledge sharing events that have been attended by SME manufacturers.</p> <p>The InterAct “Future of Work” programme (led by Professor Jill McBryde who was a member of the E&W working group, in conjunction with the University of Strathclyde’s Glasgow Business School and Flexibility Works held a Discovery Day which focused on flexible working best practices in the manufacturing sector, with the Business School offering 6 hours free assistance to a small number of SME’s in return for 6 hours of their time in order to extend research on flexible working.</p> <p>To support employers to introduce more inclusive mental health practices, SG’s Mental Health team, in collaboration with Public Health Scotland, have developed and published the PHS Employer Mental Health Platform.</p>	<p>SG will continue to work collaboratively with stakeholders to develop resources that will support SMEs to introduce flexible working, mental health and inclusivity policies.</p>

	Industry	<p>Duty, that SG explore/consider how it can best support the sector in order to allow them to adopt agreed diversity KPI's, report on ethnicity pay gaps and inclusion and diversity statistics, and identify whether this reporting has the scope become a mandatory requirement. That manufacturers should consider and implement dedicated support specifically for the nurturing of female and ethnic minority candidates in leadership positions to ensure retention and maximise impact.</p> <p>(d) To ensure accountability and enforcement, that inclusivity form a standing item at Company Board meetings including the application, and compliance with, the above measures and that boards adopt a best practice approach where inclusivity, diversity and wellbeing forms part of their supply chain procurement process.</p>	<p>of diversity KPIs for businesses is an area on which they are focusing.</p> <p>SG's recently published Anti-Racist Employment Strategy sets out key actions for employers to; help analyse pay disparities and disparities in the number of staff recruited, retained, and progressed in the organisation; workplace experiences such as bullying and harassment and discrimination; target recruitment campaigns to attract racialised minorities.</p> <p>(d) SG grant funding and procurement is contingent on businesses and their supply chains demonstrating they adhere to Fair Work criteria and encourages companies to go beyond their legal obligations under the Equality Act 2010.</p>	
L3 Complete	SG	<p>The Group is aware of a large number of resources, guides and training support available and recommend that efforts be made to collate those of most relevance to the</p>	<p>The mygov.scot manufacturing webpages have been updated to include links to assist employers to locate guidance on employing people, equality, diversity, a healthy workplace and training.</p>	<p>SG will continue to keep mygov.scot webpages up to date to ensure employers can locate the most up to date resources.</p>

		<p>manufacturing sector. Efforts should be made to ensure this is manageable for those accessing the material and that the guidance or summaries uses the language of manufacturers and their employees. The Group also recommends that work be done with trade associations and other representative groups to ensure the widest possible dissemination of this material.</p>		
L4 Complete	SG	<p>That Scottish Government liaise with stakeholders and partners to ensure that this report reaches as wide a possible audience within the manufacturing sector, and those with an interest in the sector.</p>	<p>Report has been shared with business organisations and feedback is it has been well received.</p> <ul style="list-style-type: none"> • Launched at National Manufacturing Institute Scotland (NMIS) equality event on 13 June 2022. • A member of the E&W working group was a guest speaker at the Cross Party Group on Food & Drink in the Scottish Parliament AGM as a result of the report. • Working Group Chair presented report to the Making Scotland's Future Programme Board <p>SG staff have:</p> <ul style="list-style-type: none"> • presented the journey from Equality Impact Assessment to driving forward the report recommendations to the SG's Centre of Expertise in Human Rights and Equalities and colleagues working on NSET New Market Opportunities 	<p>SG will continue to promote the recommendations included in the report to industry and those with an interest.</p>

			<ul style="list-style-type: none"> Liaised with equality colleagues to promote report in their respective areas. <p>Efforts were made to have this report publicised in manufacturing trade journals, however this did not come to fruition.</p>	
M1 Partially complete	SG/ industry	The Group are of the opinion that MHW should be regarded as equally important as physical safety in the workplace, and recommend that all manufacturers in Scotland include mandatory MHW training as a core element of workplace hazard training.	<p>PHS Employer Mental Health Platform has been published and phase 2 of this platform is being developed. Case studies include Babcock, an engineering company.</p> <p>Industry feedback is that individual employers are increasingly recognising the importance of supporting mental health and are putting measures in place to support and signpost workers.</p>	<p>There are no plans to make mental health training mandatory at this time, however SG Mental Health team will continue to promote the importance of health and wellbeing in the workplace through the employer platform. Work is being undertaken on Phase 2 of the platform, with manufacturers being contacted for best practice case studies.</p> <p>HSE advise that if physical risks that exist in the sector are managed properly, this will be of benefit to workers mental health.</p>
M2 Incomplete	SG/ industry	As part of employment conditions, it is recommended by the Group that employers provide all employees with access to occupational health and counselling services. As best practice, employers should build links with local community MHW	There is a lack of occupational health and counselling services available at this time.	SG will continue to look to address shortages in the health and counselling services sector.

		groups and MHW support services to enable employees to access services available in their locality.		
M3 Complete	SG	The Group recognises there are challenges for employers when trying to find the right support for their employees due to the overwhelming amount of MHW guidance, resources and training that are available. It is therefore recommended that the Scottish Government streamline and centralise MHW resources to ensure employers can find the right information at the right time to help support employees.	SG Mental Health team in collaboration with Public Health Scotland, launched the Employer Mental Health Platform , providing employers access to a range of free resources from public, private and the third sector, to help remote a mentally healthy workplace.	SG Mental Health team are working on phase 2 of this platform.
M4 Partially complete	Industry	The Group recommends that employers provide MHW and People Management training to everyone with Line Management responsibility, to help with identifying the early signs of deteriorating MHW and to give them the confidence to help support employees' MHW.	SG Mental Health team in collaboration with Public Health Scotland, launched the Employer Mental Health Platform , providing employers access to a range of free resources from public, private and the third sector, to help remote a mentally healthy workplace. This platform has been well publicised. Industry feedback is that individual employers are increasingly recognising the importance of supporting mental health and are putting measures in place to support and signpost workers.	This recommendation can only be met through industry providing the training. Anecdotal reports that employers are increasingly identifying the benefits of mental health training for the workforce. SG has given employers the training tools via the Employer Platform and funding for training is available via Flexible Workforce Development Fund.

	SG	(c) SG works to identify and signpost MHW training for line managers which makes provision for these above areas.		
M6 Partially complete	Industry	The Group recommends the use of Mental Health First Aiders (MHFAs) as a part of employers' plans to promote the importance of good MHW practices and support employee MHW; and that the effectiveness of MHFAs in the workplace is regularly reviewed.	This recommendation is shown as partially complete as SG has provided employers with the resources to access training for Mental Health First Aiders through the platform. Responsibility for fulfilling the remainder of this recommendation now lies with employers.	SG will continue to develop and promote the platform.
M7 Partially complete	SG and Industry	The Group highlighted the potential for negative impacts on employee MHW due to the increased uptake of automation across the manufacturing sector. It is recommended that employers utilise training opportunities, such as the National Transition Training Programme, and working practices, like Flexible Working, as an opportunity for employees to move into new roles/projects in the company, as evidence suggests increased employee participation and control during change can have beneficial effects.	The Employer Mental Health Platform signposts employers to HSE and employers legal duty to carry out a risk assessment that considers risks to people's mental health as well as their physical health, and to act on this assessment.	SG will continue to develop and promote the platform. SG will liaise with National Manufacturing Institute Scotland (NMIS) Manufacturing Skills Academy and University of Strathclyde InterAct Programme to identify any specific support needed for employees as increased automation is adopted.
M8	Industry	The Group recommends the sector make use of	This recommendation has been partially met through the	SG will continue to develop the platform

Partially complete		best practice examples from other businesses (NMIS, Unilever, etc.) and industry awards (Healthy Working Lives Awards, Make UK Award, etc.), which can be used to pilot new working practices or MHW strategies to help support employees. It is further recommended that Scottish Government collect and centralise these best practice examples for employers to access.	Employer Mental Health Platform providing a range of case studies from various employers, including the engineering sector.	and ingather further manufacturing specific case studies for Phase 2. Exemplar employers in the manufacturing have been identified and contacted to provide examples of best practice.
F1 complete	SG	The Group recommends that the Scottish Government/Enterprise Agencies/academic institutions build a resource of real-world examples that manufacturers can draw upon and learn from. This should include manufacturing-specific case studies from those who have implemented flexible working policies, and provide clear signposting to external support available to companies considering implementation.	<p>Manufacturing specific flexible working workshops were jointly held by Flexibility Works and CeeD in late 2021/early 2022. These workshops featured manufacturing employers who shared their best practice real life examples with the attendees. The workshops were part funded by SG via funding provided to Flexibility Works in early 2021. As a result of these workshop several manufacturers engaged Flexibility Works to undertake flexible working assessments and introduced flexible working practices where possible.</p> <p>In March 2022 SG awarded a grant which funded a collaborative project between Flexibility Works and CeeD, which created 3 video case studies of real world examples of flexible working best practice in the manufacturing sector, as well as an in person knowledge sharing event that was hosted at Volvo Rokbak in</p>	SG will continue to build on the success of the video case study project and seek opportunities to provide support and further resource to manufacturers seeking to introduce flexible working processes.

			<p>Motherwell. The video case studies have proven extremely popular and have been identified by SG and other public sector organisations as being an exemplar flexible working resource, with plans to use the videos and manufacturers involved as part of flexible working projects. The videos also featured in the InterAct Discovery Day.</p> <p>The National Manufacturing Institute Scotland (NMIS) has engaged with Flexibility Works to adopt their own flexible working practices and has stepped up to become an exemplar flexible working employer who will share best practice with their members and the companies they engage with.</p>	
F2 Complete	Industry with SG support	<p>The Group recommends that employers should consider a full range of flexible working options that could be implemented. This could include, but is not limited to: part-time working, job sharing, late start/early finish arrangements, a 4 day working week (or 9 day fortnight), change in shift patterns.</p>	<p>SG's Fair Work First guidance encourages employers, who are seeking public funding and contracts across the public sector, to offer flexible and family friendly working practices from day one of employment.</p> <p>As a result of the recognition of the benefits of flexible working, there are reports of, and evidence of, employers in the sector increasingly adopting flexible working practices, such as 4 day weeks, flexible hours and part-time working. This has benefited women and young people who want a better work/life balance and allowed older people to wind down to retirement, whilst retaining their skills in the workplace. Employers have confirmed</p>	<p>SG will continue to engage with the manufacturing sector and business organisations to support employers to adopt flexible working practices where possible.</p>

			<p>they have become more attractive employers due to flexible working.</p> <p>Business organisations within the industry recognise both the benefits and challenges of flexible working in the sector, and are supporting employers via workshops and signposting etc.</p>	
	Industry	The Group recommends that employers set up working groups with staff representatives to establish what flexible working means to both the company and staff. Conversations should be open and honest in order to establish common ground in terms of what is achievable, and union involvement should be sought wherever possible.	Feedback from industry is that employers are taking positive steps to introduce flexible working practices with manufacturing sites.	Whilst this recommendation can only be met by industry taking action, SG will continue to seek opportunities to support employers in the sector.
F4 Partially complete	Industry with SG support	The Group recommends employers ensure leaders are equipped with the skills to manage change, to consider the short-term impacts of change on staff – e.g. shift pattern changes – and ensure that the right support mechanisms are in place to support people through a period of significant change.	Flexible working workshops led by Flexibility Works and CeeD in 2021/22 provided Leaders in the industry with the signposting to seek the support needed to assess the impact of change on staff. Flexible Workforce Development Fund can be used to obtain flexible working training through colleges or providers in the private sector.	Whilst this recommendation can only be met by industry taking action, SG will to seek opportunities to support employers in the sector.
F5 Partially complete	Industry	The Group recommends that CEO/Senior Leadership Team are fully supportive and that appropriate corporate governance oversight is	Feedback from industry is that manufacturers are increasingly recognising the benefits of flexible working in the recruitment and retention workers and are seeking to	Whilst this recommendation can only be met by industry taking action, SG will continue to seek opportunities to

		place to ensure enhanced delivery.	adopt flexible working practices where possible. SG's Fair Work First Guidance encourages employers, who are seeking public funding, to adopt fair working practices, specifically action to create a more diverse and inclusive workplace	support employers in the sector.
F6 Partially complete	Industry	The Group recommends that employers should consider and quantify the environmental impact of FW changes, while also considering how best to assess this and to publicise their green credentials.	There is no data to support this recommendation yet, however there are reports that through the adoption of flexible working practices, such as a 4 day week, manufacturers are seeing a reduction in energy consumption – which reduces their carbon footprint. As part of Making Scotland Future CENSIS have developed and are in the early stages of testing an energy productivity proposition. This has an objective in reducing the cost business, reducing the environmental impact and creating more flexible scheduling / work patterns. SG's Scottish Business Pledge is a voluntary pledge that businesses can sign up to if they can show that they have assessed the environmental impact associated with business activities and have taken action to address it. 820 businesses across all business sectors in Scotland have already signed to publicise their green credentials.	SG and its partner organisations will continue to seek opportunities to support employers and seek industry feedback in respect this recommendation.



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