

The Great Jobs Agenda – Fair and Decent Pay

A TUC guide for trade union activists

The Great Jobs Agenda

Introduction

Work is an important part of our lives for most of us. On average we spend around one-third of our waking hours working, although some of us spend a lot more.

That is why people want to work in good jobs that they feel are rewarding. They want respect, decent pay, secure employment, hours that suit them, a safe workplace, basic standards of employment, job satisfaction and the ability to achieve their potential. They also want a voice in their workplace.

Yet millions of us work in jobs that are the exact opposite of that. Bad jobs lead to ill-health, depression and anxiety, low self-esteem, and can leave people exhausted and unmotivated.

Bad jobs also affect not only the worker but their family, with millions of children living in poverty because of their parent's low pay, or rarely seeing a parent because of the hours they are forced to work.

That is why the TUC wants to end these bad jobs and instead promote "Great Jobs" - ones that promote good physical and mental health, and where workers feel listened to and valued.

The TUC wants the Government to pass a "Great Jobs Act" that gives all workers:

- A voice at work
- Fair and decent pay
- Regular hours

- Fair treatment and respect
- A healthy workplace
- Access to learning and progression.

But while we want action from the Government on these issues, there is also a lot that union workplace representatives can do to try to ensure that their employer takes action to support the TUC Great Jobs Agenda.

This guide suggests a few actions that you can take in your workplace to help achieve one of these important issues that the TUC wants to achieve – fair and decent pay.

Everyone at work deserves a great job. A great job is one where the worker is paid and treated fairly. And it's one where workers get opportunities to progress, to learn and to have a voice on what matters.

That's why we've created the Great Jobs Agenda. The agenda will give the trade union movement a common set of bargaining asks in workplaces. And it sets out what we want the government to do to ensure that every worker has a great job with fair pay, regular hours and the opportunity to progress.

Frances O'Grady, TUC General Secretary

Fair and Decent Pay

Introduction

Everyone deserves fair and decent pay. It's an essential part of good work, but we can't always trust employers. Even the public sector is failing to deliver. The real value of pay has fallen as the long-running 1% has kept increases below inflation.

Average real annual pay for UK employees is still about £1,000 a year less than it was in 2008. The real value of wages is expected to keep falling as rising prices outstrip earnings.

Working people need their pay to start rising again, to be paid fairly. There must be no place for discrimination on the basis of gender, ethnicity, disability, age, sexuality or religion.

It's easier to meet this goal in a workplace where pay is negotiated by a recognised trade union. You can help strengthen your bargaining position by ensuring that everybody has been asked to join the union.

This guide suggests three things that trade union representatives and activists can do to build the arguments to help ensure fair and decent pay, which is an important step towards delivering the Great Jobs Agenda:

- Campaign for all workers to be paid at least the living wage
- Check that the ratio between top and bottom pay is not widening
- Tackle discrimination by carrying out regular pay audits.

1. Ensure all workers are paid at least the living wage

Trade unions campaign for the Living Wage and many unions make it the bottom rate in their pay claims.

The real Living Wage is a voluntary standard that has been adopted by thousands of employers. The rates are calculated independently and based on the cost of a basket of goods and services that low paid workers identify as the minimum needed to live a simple but decent life. This gives the Living Wage strong moral authority.

There is one hourly Living Wage rate for London and another for the rest of the UK. The rates in 2017/18 are £10.20 in London and £8.75 in the rest of the UK. They increase every year.

The Living Wage rates are substantially higher than the current National Minimum Wage, which is the legal minimum for pay.

The Living Wage Foundation website has lots of information including details of the rates, lists of Living Wage employers and an interactive map showing where they are.

It also has arguments for paying the living wage. For unions, it's about fairness. For employers, it's about improving their

reputations and raising the standard of work.

What you can do

- Read the arguments for paying the living wage - who pays the living wage and why? Employers may be influenced by hearing about benefits to reputation and recruitment and retention, for example. (insert link – <https://www.livingwage.org.uk/>)
- Build support amongst your members. The Living Wage is widely regarded as minimum standard for decent pay, but some may not be familiar with it.
- Decide on your trade union negotiating strategy. Can you get to the Living Wage in one year, or will it take longer? Accentuate the positive benefits for employers, but don't rule out traditional campaigning methods like petitions if employers are slow to agree.
- Make sure that the union gets a fair share of the credit. Adopting the living wage is a good news story, but some employers may want to avoid mentioning the union's role.

2. Ensure that pay policies do not widen the ratio between top and bottom pay

New regulations expected in spring 2018 mean that UK publicly listed companies with 50 or more employees will have to publish the ratio between total CEO pay and average (mean) employee pay. They will also have to justify the ratio and explain changes from year to year.

We believe that fairness should extend to everybody at work. Therefore, union negotiators will want to go beyond the law by including smaller listed company employers and large non-listed private companies who are not covered by the forthcoming regulations.

Low pay is a big concern for unions, and the ratio between top executives and ordinary workers will provide a good argument to use in bargaining. If the ratio grows over time, this shows that the CEO's pay has increased more than average workforce pay. A key aim is to ensure that the ratio goes down, rather than up.

As employers often outsource the lowest paid jobs, an important aim would be to get these roles included in the calculation. Unfortunately, the regulations only cover 'employees' but unions will want to ensure that the whole workforce is included.

Many companies have remuneration committees that set executive pay. New rules are giving remuneration committees responsibility for overseeing workforce pay policies and taking them into account when setting executive pay. Unions can argue that this gives them the right to meet with remuneration committees to feed in information about staff pay and conditions and staff views on whether the company's approach to pay is fair.

What you can do:

- Use increases in directors' pay as an argument for raising pay more generally. Take a positive approach - "we'll do better if we are all part of the same team".
- Understand the pay distribution in your workplace. The annual report is a good place to start. What is the ratio between highest and lowest paid employees as well as the ratio between the top and

the mean? Are contractors and agency workers being used as a cheap option?

- ✓ If your employer is not covered by the new regulations, call on them to adopt pay ratio reporting voluntarily.
- ✓ Make sure the whole workforce is included in the calculation of pay ratios, not just directly-employed staff.

3. Tackle pay discrimination

Pay is an equality issue. Women are more likely to work part-time and in lower paid sectors such as cleaning and caring, whereas men still dominate higher paid roles like finance and management. Black and minority ethnic women make up over 80% of the increase in zero-hours contracts since 2011 – jobs with no guaranteed pay. And the employment gap between disabled and non-disabled people is far too large.

The most effective way to address pay gaps between workers is to negotiate policies that tackle the causes. That means ensuring equal pay for work of equal value; ending occupational segregation; creating genuinely flexible roles and wiping out discriminatory practices.

What you can do

- ✓ Check your employer's job evaluation scheme and pay grades are fair. Jobs that involve caring for others are often undervalued and underpaid compared with technical roles
- ✓ Encourage employers to set targets as part of their employment strategy. This should include looking at recruitment practices and pay grades to ensure their workforce reflects the community.
- ✓ Negotiate flexible working policies that are responsive to workers' needs and family responsibilities. Without proper support, new mothers are more likely to return to part-time work, take a role at a lower grade or leave the workforce altogether.
- ✓ Critically assess the impact of union pay claims to ensure all workers benefit, and that the claims don't widen pay gaps further
- ✓ Use the new gender pay gap reporting regulations to ask employers how they will close their pay gap – just providing data isn't enough
- ✓ Not all employers are covered by the regulations – smaller employers should also be encouraged to tackle pay gaps

Employers with 250 or more employees must report on their gender pay gap by April 2018. The TUC has produced comprehensive guidance for reps on the gender pay gap reporting regulations.

Summary

These are only three of the many issues that union representatives can tackle to ensure fair pay in your workplace. You will find advice on other issues on the TUC website (link to other reports), including enforcing the national minimum wage, holiday pay, maternity and other paid leave rights.

The TUC Great Jobs Agenda is based on making a practical difference that will transform the working lives of millions of people. You can play your part by changing your workplace for the better. Details of the Fair and Decent Pay campaign, and the other issues that are covered in the great jobs agenda are on the campaign website.

Find out more

For more information about the campaign, go to:

<https://www.tuc.org.uk/lets-secure-great-jobs-everyone>

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