

Good jobs can help grow the economy

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The UK's new Labour Government is on a mission to grow the economy. It needs to. The last government left schools crumbling, hospitals stretched to breaking point, roads that badly need repairing and far too many families living in poverty. Thousands more health workers, teachers, police and – dare it be said, armed forces personnel need to be recruited. All of these actions need to be funded. To do so, the government hopes to raise tax revenues by growing the economy through encouraging investment in house building and the green transition.

More houses and more green energy are needed for sure but delivery will take time. A more immediate tax raising strategy might be to draw on one of Labour's other policy aspirations, to create more good jobs. Seventy years ago William Beveridge recognised that full employment with good jobs is good for government budgets, reducing welfare spending and raising tax receipts.

At the moment the new government's policy is intended to promote more fairness in employment, eradicate pay insecurity, offer more flexible working for employees, create more trade union voice and clarify employers' responsibilities. Again, these are laudable aims. As the Taylor Review of Modern Working Practices made clear in 2017, there should be no bad jobs in C21st Britain.

The business benefits of good jobs

Good jobs, however, offer much more. As a [recent study by the Institute for Employment Research](#) shows, good jobs can boost innovation and productivity in companies. Research indicates that the productivity of companies can be improved through increasing the quality of jobs or making jobs better along specific dimensions. Better pay and benefits are linked to improved productivity; the presence of work-life-balance policies, in particular some forms of flexible working, have a positive relationship to productivity; and there is a positive relationship between job satisfaction and employee productivity. Businesses can create innovative behaviours and foster a culture of innovation amongst employees through the use of financial incentives – not just raising pay levels. Innovation potential is higher in firms that foster a sense of belonging and have forms of employee voice and participation. And companies that are able to successfully manage job stressors and promote good health also have to more innovative potential.



There are many companies in the UK that already offer good jobs. Many others would like to do so but there are barriers. Existing companies' structures and practices restrict change. Managers worry about the costs and are often unaware of the business benefits of good jobs and, when they are aware of the benefits, they often lack the skills to implement good jobs. At the same time, some trade unions, while understandingly focusing on pay during a cost-of-living crisis, lack the resources to offer suggestions on other aspects of good jobs such as work

organisation, but which many of their members would value.

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Getting from where we are to where we need to be

The Office for National Statistics already periodically reports job quality across the UK. Having this evaluation is welcome and important but we also need to improve the quality of jobs.

It is not helpful that responsibility for jobs is currently spread over three ministries along with multiple agencies to monitor and enforce existing employment regulations but none tasked with improving job quality. The new government missed a trick in not creating a single ministry focused on employment but it has signalled that it would like a new single enforcement agency. Properly resourced this change will be helpful but enforcement of current minimum standards alone will not create good jobs or upgrade bad ones, more is needed. There should also be a new research-to-policy advisory group to support civil servants and ministers to deliver good jobs regionally and nationally. It would offer regular, collective expertise and opinion on the state of jobs in the UK.

If governments can set the policy agenda, policy still needs to be translated into practice. It is companies that will need to provide good jobs. If owners and managers of companies aren't aware of the benefits of good jobs and how a workplace with good jobs should be managed, then they can't be expected to want to improve job quality or know how to do it. Something like a new Workplace Transformation Unit should be established to proactively advise companies on how to create



and manage good jobs, perhaps through Acas and, in Northern Ireland, the Labour Relations Agency. The UK Government as well as the devolved nations' governments should also encourage business schools to educate next-generation managers on the business benefits of good jobs. Likewise these governments should encourage local economic growth agencies to add information and guidance on creating good jobs in their business development support for existing managers and small firm owners.

None of these initiatives alone will deliver good jobs. A coherent, joined-up strategy is required; a proper plan to create good jobs throughout the UK. The outcome of more good jobs would help the Labour Government boost economic growth and generate the tax revenues needed to invest in the fabric of the country so that it can improve schools, hospitals and roads and reduce poverty.

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