Facing the future constructively?
The experience of work in the construction industry in Scotland

A report for the Scottish Trades Union Congress (STUC)

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Executive Summary

Introduction

1. The construction industry makes an important contribution to the Scottish economy, generating jobs and economic value. There is a need to ensure both a steady supply of appropriately skilled labour into the industry and for the industry to deliver for its workforce, especially in relation to fair work. The STUC and affiliate unions have raised concerns over recent years in relation to unfair and potentially unsafe labour practices in the industry. Good data and evidence are crucial to understanding and addressing these concerns.
2. The key objectives of this research were to profile the economic contribution of the construction industry to the Scottish economy and identify key sectoral trends; to analyse the employment and work experience of workers; and to review and evaluate fair work in the industry using the Fair Work Framework.
3. The research incorporated industry level analysis and experience at the workplace level through primary and secondary data collection. This research comprised three stages: an evidence review, union focus groups and interviews; and a workforce survey that explored the experience of working in construction. The survey generated 557 useable responses. Given the union based sample frame, union members were over-represented in the survey responses.

The construction industry: value, structure and key challenges

4. The construction industry is valuable to the Scottish economy and while volatile, currently makes up 6% of Scotland's economic output. The industry is diverse with a range of sub-sectors, but splits mainly into the construction and repair of buildings, civil engineering and specialised construction activities. Building construction has the highest turnover, while specialised activities accounts for the greatest share of employment. Both grew around 1.5% since 2017.
5. The 47,800 construction businesses in Scotland employ around 10% of the workforce. Three quarters of businesses have no employees, while only 1.4% of businesses have 250+ employees.
6. Construction is one of Scotland's least profitable sectors, lagging behind most other sectors and the economy average. Average turnover in all construction firms is around £450,000, ranging from £67,000 for businesses with no employees to £55m for the largest businesses.
7. Construction projects are one-off products that bring together different supply chain stakeholders, often for the first time. The largest component of the supply chain for construction is products from other firms, closely followed by manufactured products.
8. Different procurement systems to deliver construction projects transfer varying levels of risk, with an unfair distribution of risk further down the supply chain, which increases costs and obscures inefficiencies.
9. Longstanding concerns exist over financial management in the industry and the effectiveness of the supply chain. Low barriers to entry can mean poor managerial qualifications and insufficient experience, and can enable the (re)emergence of so-called 'phoenix firms' even where they have evaded liability to workers and consumers.
10. Access to finance is also a challenge in the industry, especially for small firms. Payment arrangements can create high risk for subcontractors. The Sector Deal for Construction and a recent review of Scottish Public Sector Procurement in Construction prioritises fairer and quicker payments for suppliers.

11. The quality and standards of work in the industry have also long been a concern, exacerbated by low barriers to firm entry. Key reports for government have sought to drive improvement, focussing on the role of procurement, contracting arrangements and the supply chain as potential foci of quality and efficiency improvement. Yet progress on these agendas has been limited, and they continue to be ongoing concerns.
12. In this research, union officers identified problems arising from unrealistic pricing to win contracts and from practices by overseas-owned companies that limit employment opportunities in Scotland, limit local sourcing and undermine collective agreements.
13. Union officers voiced concerns over quality issues stemming from poor skills/trades accreditation and regulation in both foreign-owned and UK companies, and over employment agencies who do not ensure appropriate checks on labour skills and accreditation. This is a serious concern given high profile failures in construction projects in Scotland, as outlined in the recent Cole Report.
14. A strategic priority for Scotland, therefore, is to improve the delivery of building and infrastructure projects to ensure consistent required quality and standards. The refreshed Construction Industry Strategy 2019-2022 has set out six Strategic Priorities: procurement; skills; quality & standards; planning & building regulations; growth opportunities; and productivity & innovation. Despite the Scottish Government's ambition to be a leading fair work nation, the Strategy contains no specific reference to the nature of work and employment.

Findings: labour resourcing and fair work

15. Compared to other industries, construction is heavily labour intensive. Long characterised by insecure work, recent years have seen a greater shift towards subcontracting of labour, self-employment and agency work. Large construction firms may employ very little direct labour, and main contractors' direct responsibility for current and future labour supply, including the development of future skills, has declined.
16. The UK construction industry faces skills shortages and relies heavily on EU migrants. Barriers to employer investment in training and development include the growth of employment in small firms and self-employment and has, arguably, contributed to narrowing and fragmentation of skilled work. Short-term attitudes, low profitability, volatile markets and intense competition do not bode well for skills investment, particularly for insecure unskilled workers.
17. The industry faces difficulties in attracting and retaining talent because of its poor public image. To address this, UK government reports have highlighted the need for decent site conditions, fair wages, a commitment to health and safety and training and development for staff.
18. Following adoption of the Fair Work Convention's Fair Work Framework, Scottish Government has committed to a 'Fair Work First' approach to contracting and grants. Fair Work First has potential to improve working practices in the construction industry given the level of public infrastructure investment. Fair work requires security of employment, work and income, predictability of working hours, and a fair sharing of risk between employers and workers.

Security at work?

19. From this specific sample, non-standard working was not higher in the construction industry than in the UK as a whole. However, perceived and possible job insecurity was higher among respondents than reported in UK surveys. Experience of redundancy and/or dismissal was very common, that most respondents perceived as unfair, and a significant minority reported anxiety about being dismissed without good reason. Levels of perceived employability were low, with

almost half reporting that it would be difficult for them to find another job if they were to lose or quit their current job. More than two thirds of respondents – and union officers – attributed job insecurity to increasing exploitation of the supply chain by large contractors.

20. A significant minority reported low pay and difficulties in making ends mean. Median pay across these respondents was, however, above the UK average, though there was widespread reference in written survey comments and officers interviews to real wage decline over time. Construction workers in the survey were more likely to report difficulties in making ends meet than comparable UK survey respondents. This may in part arise from greater to exposure to other expenses/costs (travel, accommodation and subsistence) compared to workers in other sectors.
21. Full-time working of 35 hours of more was the most commonly reported experience, with limited part-time working. Underemployment due to insufficient hours appeared to be low.
22. Those respondents not in direct employment (referred to in the report as 'non-standard' workers, comprising self-employed workers, agency workers and those working through payroll companies and on so-called 'umbrella contracts') were significantly worse off than their directly employed counterparts in a variety of ways. The first related to the nature of their contracts: they faced more contractual variation; shorter tenures; greater exposure to redundancy or dismissal; reported greater perceived and possible job insecurity; and were more worried about their own job security. The second related to their earnings: they faced more earnings variation; were less likely to be paid on time; were less likely to have access to sufficient hours of work; were less likely to have sick pay or holiday pay; more likely to feel financially insecure if they became ill; and were less likely to have travel, accommodation and subsistence expenses covered by their employer or contractor. The third related to their perceptions of the industry, specifically that developments in the industry were reducing job security and stability.

23. Union officers commented negatively on businesses that held retentions from workers' payments and on what they perceived as a regression to the accredited Living Wage in the industry driven by public contracting support for the latter.
24. Overall, security at work – and hence fair work – in the construction industry in Scotland is limited for a significant minority of workers by insecure contracts and self-employment; lower pay; income variation and perceived job insecurity alongside concerns over future employability. The experience of those workers not directly employed is commonly worse, raising concerns as to how any increase in self-employment or other non-standard forms of working, such as agency contracts, may further reduce fair work in the industry. There was also some indication of deteriorating experiences for directly employed workers.

Opportunity at work?

25. Construction workers learn and develop either through craft apprenticeship schemes or on the job. The apprenticeship system underpins the skill base of the industry in Scotland. Union officers had some concerns that ongoing training and development was not well supported by many employers. Nonetheless, the age profile of the construction workforce underlies the need for investing in future skills development.
26. While Scotland has over 5,000 modern apprenticeships in training, union officers had concerns over skills dilution and fragmentation in the apprenticeship model, as well as weakening of registration bodies that shape apprentices' wages, terms and conditions.

27. Union officers recognise both good and bad practice in apprenticeship training and support, highlighting particular concerns over smaller employers and the challenges of skills acquisition and development given volatile demand in the industry, particularly in terms of predictability of scheduling training and getting time off to train.
28. Most respondents had accessed employer-funded training recently, though more than a quarter had not. Unions also support training and skills development for some workers.
29. Those not directly employed have lower access to training, are more likely to pay for their own, and are more likely to undertake training in their own time.
30. On-the-job training enables workers to do a job but without formal accreditation. Union-led learning projects have supported qualifications attainment for some – including self-employed and agency workers – though demand outstrips supply and funding.
31. The industry is not diverse, and survey respondents reported a lower level of flexible working than the UK average. This is unlikely to support efforts to deliver greater workforce diversity.

Fulfilling work?

32. Fulfilment at work is supported by skills alignment, effective skills utilisation, development opportunities, career progression and appropriate management of performance. The survey findings identified skills gaps (where workers needed more training), skills under-utilisation (where workers have the skills to cope with more demanding duties) and perceptions that construction work was evolving towards higher skills requirements.
33. Career development opportunities are an important part of job prospects. Most workers did not have their performance formally appraised at work to support their career development.
34. While there are progression opportunities in construction through safety and supervisory routes, union officers perceived these as rare while respondents split relatively evenly between those with opportunities for progression, those without and those neutral on the issue.

Respect at work?

35. The Fair Work Framework emphasises respect for the health, safety and well-being of all; respect for family life and work-life balance; and respect for workers' contribution, all of which support the development of trusting relationships. Union officers indicated that poor employment practices and limited attention to workplace environments undermined health, safety and wellbeing for construction workers.
36. Responses indicated that in the main, work environments are adequate and have become safer over time, though in comments, some workers noted that this had slowed or even reversed in recent years. Around 10% of respondents, however, reported an unsafe working environment.
37. While workers were largely well informed about health and safety risks, a large minority reported their job as having a negative impact on their health; requiring them to hide their feelings, generating stress and resulting in accident or injury. These figures compare unfavourably with other survey data, as do levels of absence though ill-health.
38. While the incidence of accident or injury was lower for those directly employed, sickness absence was higher for this group, related in all likelihood to better sick pay arrangements.
39. Respectful treatment at work can not only protect workers from illness and injury but also from bullying and harassment. Union officers reported that workers are fearful of raising any concerns over bullying and harassment as it may affect their employment prospects.
40. Respondents reported high incidents of verbal abuse, bullying and harassment, and humiliating treatment and behaviours compared to wider survey evidence, on the grounds of age, religion

and nationality. A large minority reported that employers did not deal with this effectively, and workers subjected to these forms of treatment had a higher intention to quit the industry.

41. Directly employed workers fared better in terms of discriminatory behaviour, but were more likely to be anxious about discrimination and possible victimisation than respondents in non-standard work.
42. Respect for work-life balance includes both a reasonable pace of work and some control over variation in working hours. While pace of work was generally seen as acceptable, most construction workers do not have flexibility in their working pattern, though few report this as problematic. A significant minority work in their own time.
43. Workers on non-standard contractual arrangements report less flexibility to take a break, are less likely to report positive alignment between work and family life and are more likely to work in their own time.

Effective voice at work?

44. Effective voice is crucial to fair work and can benefit workers and employers. In Scotland and the UK, trade unions are the primary channel of collective worker voice. Concerns have been raised that union authority in the UK construction industry has been undermined by rising levels of self-employment and subcontractors evading collective agreements even where the main contractor has committed to these. There have been calls for the industry to have a properly regulated workforce, and unions campaign for better working practices, greater worker voice and effective collective disputes procedures.
45. The construction industry has one of the lowest levels of union membership across the economy.
46. Due to the survey distribution channel, nearly all respondents were members of a trade union or staff association, and a large majority were covered by a collective agreement covering pay and terms and conditions. Yet one third suggested their employers were not interested in constructive dialogue with unions. Most directly employed respondents reported having a voice to express views on health and safety issues, welfare and work environment, and changes in work practices, processes and services, with a large minority having a voice on training.
47. Non-standard workers were less likely to be covered by a collective agreement; less likely to report that employers were interested in constructive dialogue with trade unions (though this group perceived that unions were much more influential than did directly employed workers); less likely to report having a voice on issues other than health and safety; more likely to report anti-union discrimination; and more likely to have considered leaving the industry.

Conclusions and implications for stakeholders

48. Employers in the construction sector are not systematically delivering fair work in Scotland. The key question, however, is the extent to which individual employers have the latitude and inclination to deliver a more consistently fair work experience. The nature of the work itself and the characteristics of the industry influence the options available to construction firms to make different strategic choices that impact on work. Exploring the nature of those constraints and the possibility of changing them is important.
49. Notwithstanding constraints, however, not all employers in the industry make use of poor work practice, highlighting that alternative and fairer choices are possible. It is therefore important to find evidence of good practice, particularly practice that supports direct employment.

50. While direct employment addresses some of the challenges facing the construction workforce, it does not address them all. Across the workforce, there are significant concerns about a lack of effective voice; employment insecurity; health, safety and well-being; opportunities for training and development and about bullying and harassment. These are issues for employers to address, and also issues that employers in the industry might address collectively – either by sharing and learning from good practice, or from developing good practice together.
51. There is a need for better awareness, understanding and insight on the industry and its work practices among key stakeholders, including policy makers, local authorities and public bodies in various regulatory, commissioning and employer roles. There has been much deliberation on the industry, but little has focussed directly on how workers experience it, or how fair work is delivered.
52. This can only be delivered by enhancing worker voice in the industry, and workers have few or no avenues of redress or problem solving. Encouraging employers to ensure employee voice is offered, heard and acted upon – by whatever means is genuinely effective, for example through collective bargaining – is a key priority.
53. There is undoubtedly a need for more extensive monitoring of work and employment practices, particularly in contracts supported by public funding. The efficacy of mechanisms to ensure that main contractors meet their monitoring responsibility is questionable. There is a potential role for a collaborative and co-created approach to monitoring of practice involving contractors, unions and clients. This is an area in which the Fair Work Convention Inquiry into construction might take a lead.
54. There are opportunities to better shape industry practice through procurement, though these will require creativity in operating within the regulatory constraints of procurement legislation but using procurement to signal and shape better practice, particularly through supporting and upholding collective agreements. The development of a procurement approach reflecting Fair Work First might offer an important testbed in this regard.
55. There are undoubtedly opportunities for better regulation of some of the more exploitative employment practices in the industry. Given that such regulation is not within the current powers of the Scottish Parliament, the Scottish Government should use its influence at UK level to shape future employment regulation that may impact on exploitative practices.
56. The construction industry is important to the Scottish economy. Yet it faces challenges in attracting talent, in part attributable to the characteristics of work and employment in the industry. Trends in the industry are likely to require attention not simply to replacement demand for labour, but also a higher skills profile for the industry's workforce to face the challenges of building sustainably in line with wider Scottish Government policy priorities. Fairer employment practices will not only support better recruitment and retention, but can harness the potential of the industry's workforce to whatever challenges lie ahead.

1. Introduction

1.1 Background and rationale

It is widely recognised that the construction industry makes an important contribution to the Scottish economy, generating jobs and economic value. To sustain these, there is a need to attract and retain a steady supply of appropriately skilled labour and to offer appropriate job quality to its workforce.

The STUC and affiliate unions have raised a number of concerns over recent years in relation to work and employment practices in the construction industry in Scotland. Though not specific to Scotland, these relate primarily to a range of unfair and potentially unsafe labour practices that disadvantage workers. Unions in the sector have advocated the adoption of a Construction Charter to improve industry practices, protect employees' rights and regulate industry standards.

Scotland's Fair Work Convention (FWC) has established a Fair Work Framework (Fair Work Convention, 2015) that defines fair work as work characterised by opportunity, security, fulfilment, respect and effective voice, and that sets out Scotland's aspiration to be a leading fair work nation. The Fair Work Framework has been endorsed and supported by the Scottish Government. The FWC is about to embark on an inquiry into the construction industry in Scotland and, given that significant public money is spent in public infrastructure investment and contracts, the Convention is interested in the role of public procurement, alongside other levers, in supporting fair work in the industry.

Good data and evidence are crucial to current debates on the construction industry taking place across unions, employers, policy makers and public agencies in Scotland. There is a need for a concise and rigorous analysis of the industry's profile that highlights its key economic impacts, identifies opportunities to shape practice that supports fair work, and addresses the role of key stakeholders and levers in delivering a safe, successful and fair construction industry.

1.2 Objectives

The key objectives of the research in relation to the construction industry in Scotland are to:

1. profile its economic contribution to the Scottish economy and identify key sectoral trends;
2. analyse the employment and work experience of workers; and
3. review and evaluate construction workers' experiences using the Fair Work Framework.

2. Methodology

The research spanned industry level analysis and experience at the workplace level through primary and secondary data collection. The research comprised three stages:

2.1 Stage 1: Evidence review

This involved a desk-based review of secondary data and literature (academic and grey) to provide a contemporary profile of the industry. This stage also included an analysis of available labour market data on the construction industry in Scotland. This provided a current picture of existing knowledge on relevant aspects of the industry.

2.2 Stage 2: Union focus groups and interviews

A focus group was conducted with eight union organisers and officers from Unite Scotland, GMB Scotland and RMT. In addition, a group interview was conducted with a Development Officer from Scottish Union Learning at the STUC and Learning Organisers from Unite Scotland. These discussions with respondents with extensive industry experience provided systematic insights into industry practices and workers' experiences, drawn from their direct interactions with union members and other workers.

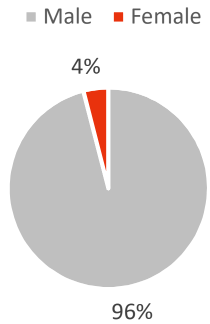
2.3 Stage 3: Worker survey

Findings from Stages 1 and 2 were used to develop a survey tool that was issued to a sample of current construction workers. The survey explored the experience of working in construction with the purpose of understanding better current employment practices. The design of the survey ensured alignment with the Fair Work dimensions included in the Fair Work Framework.

The survey was administered using an online web-based questionnaire. The survey window for responses was open for nine weeks between March-May 2019. The questionnaire incorporated a mixture of quantitative and open-ended qualitative questions to allow respondents the opportunity to express opinions in their own words. The survey was issued by an email to all union members in Unite Scotland, GMB Scotland and RMT Scotland as well as through flyers with a QR code. The survey was also advertised on social media and promoted at the 122nd Annual Congress of the STUC. The survey generated 557 useable responses. It is important to acknowledge that the achieved sample is likely to have been skewed by using unions as the main survey delivery channel and therefore the survey findings are likely to reflect predominantly the experiences and views of union members. This may present a more positive picture of work in the industry given that union presence may influence terms and conditions in ways that improve worker experience.

2.3.1 Survey respondents' profile

The survey respondents were overwhelmingly male (96%), in older age groups and in households with dependents. The sample was not ethnically diverse. Just under one quarter (24%) reported a disability, with slightly more (28%) reporting fair to poor health.



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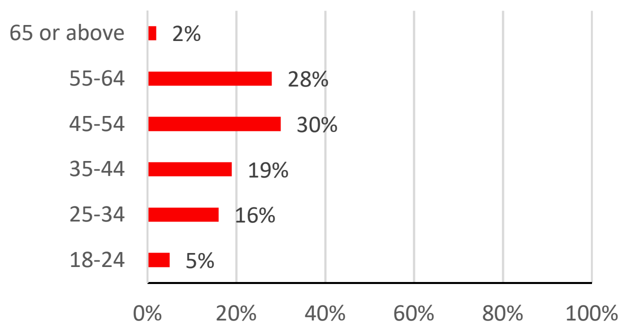
Age



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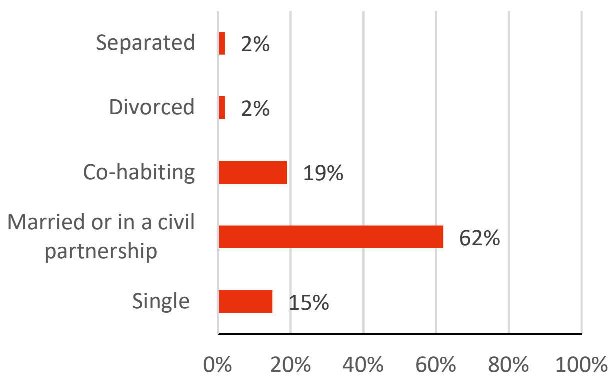
Those workers not directly employed tended to be younger – over a third (36%) were aged between 18 and 34 compared to 19% of directly employed workers.

Relationship status



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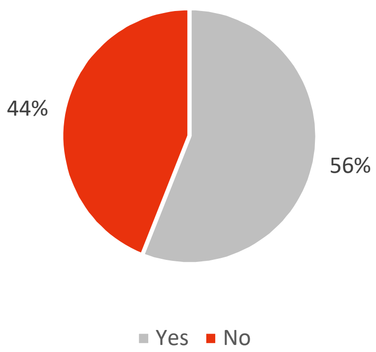
Financial dependents



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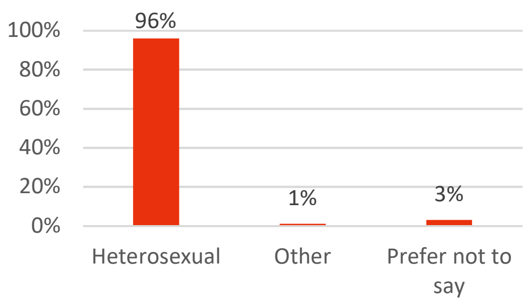
Sexual orientation



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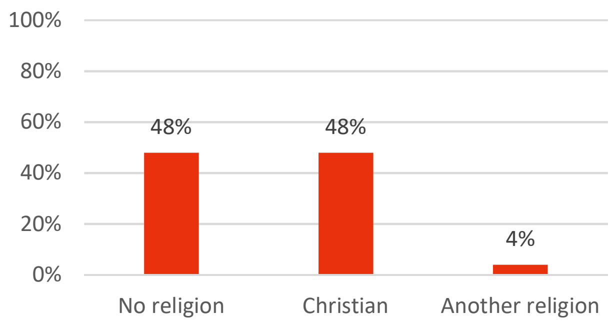
Religion



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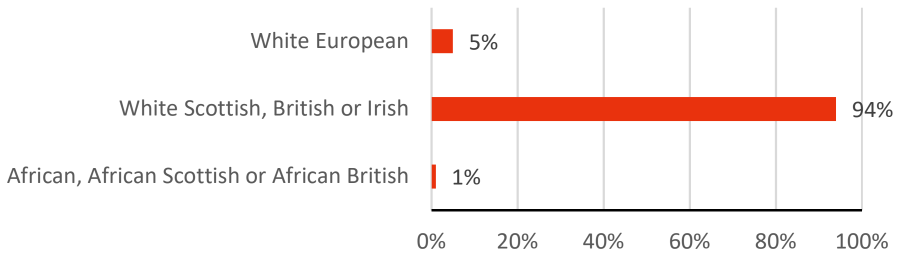
51% of directly employed are Christian compared to 34% of those workers not directly employed.

Ethnicity



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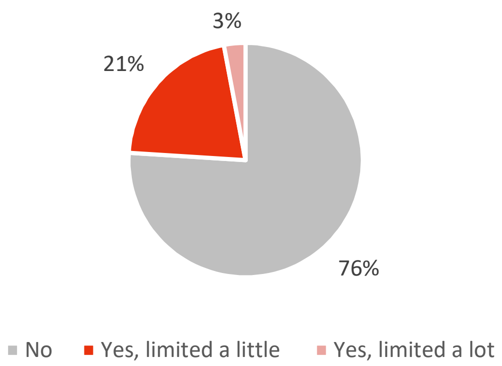
7% of workers not directly employed were White European compared to 4% of those workers directly employed.

Day to day activities limited due to health or disability



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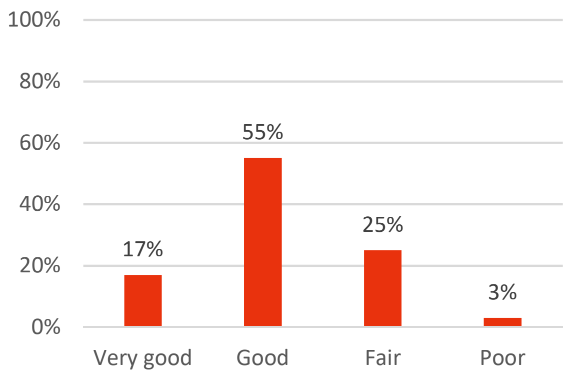
Health status



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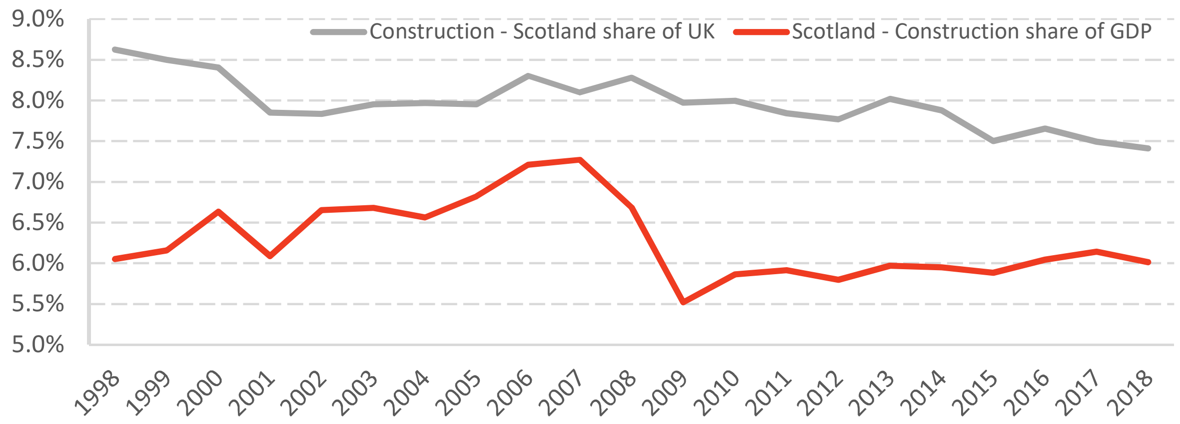
3. The construction industry: value, structure and challenges

3.1 Value to the Scottish Economy

The construction industry is a significant part of the Scottish economy, making up 6% of Scotland's total economic output. This has fluctuated over the last 20 years, particularly before and during the 2008 financial crisis. As a proportion of the UK construction industry, however, the Scottish construction industry has declined significantly, from 8.5% in 1998 to under 7.5% in 2018.

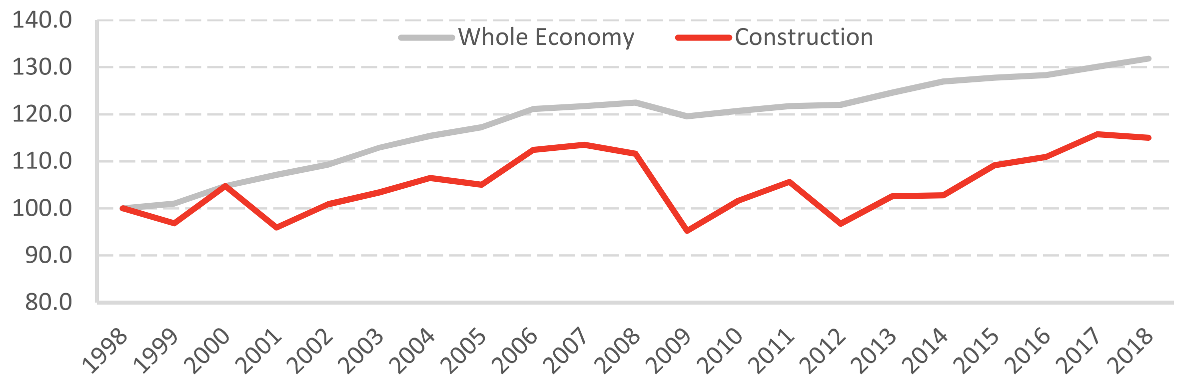
Chart 1: Construction in Scotland: share of Scottish GDP, and share of UK Construction, 1998 – 2018



Source: OECD/Scottish Government/FAI

Construction is a significant industry, but has also been a volatile one, with large fluctuations in growth sometimes having significant effects on headline growth rates.

Chart 2: Scottish GDP growth, Whole economy and construction, 1998=100



Source: OECD/Scottish Government/FAI

In particular, we can see the large contractions in the industry arising from the 2008 financial crisis, and again during the so-called “double-dip” in 2012. The weakness in this industry of the economy was a large driver in overall economic weakness during these periods. Over recent years, the industry has been growing more strongly, until a slight contraction in 2018.

3.2 Industry structure

The industry is diverse and a range of sub-sectors are involved in constructing the built environment. This complexity means that there is no single definition that captures its constituent activities. The Standard Industry Classification (SIC) (ONS, 2009) defines the industry categories as:

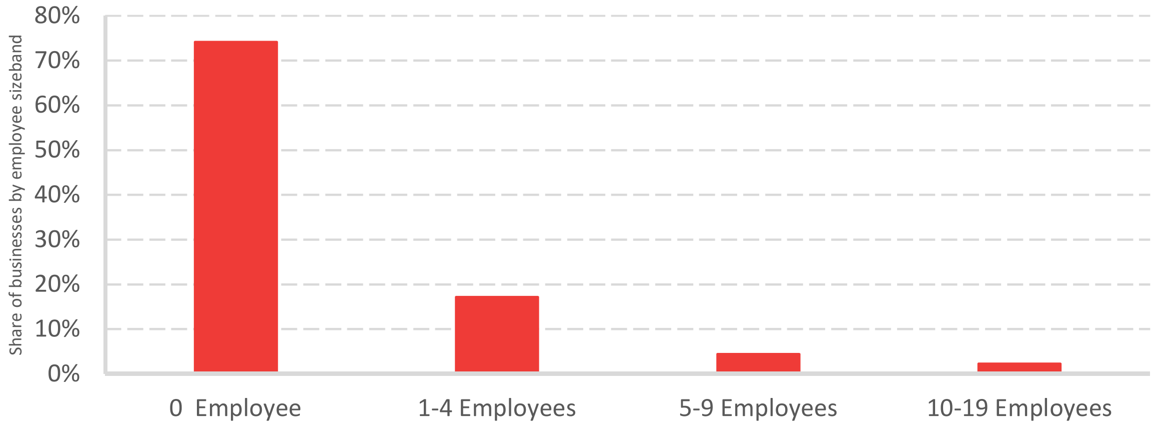
- Construction of buildings: development of building projects, construction of residential and non-residential buildings, commercial and domestic buildings;
- Civil engineering: construction of roads, railways, motorways, bridges, tunnels, utility projects and other civil engineering projects; and
- Specialised construction activities: covering trades that usually specialise in one aspect such as demolition and site preparation, installation activities, e.g. electrical and plumbing, building completion and finishing and other specialised activities.

There is some overlap between the different SIC categories with work that can be carried out by specialist contractors and by general contractors as part of ‘Construction of buildings’ (HSE, 2018).

3.3 Business size and employment

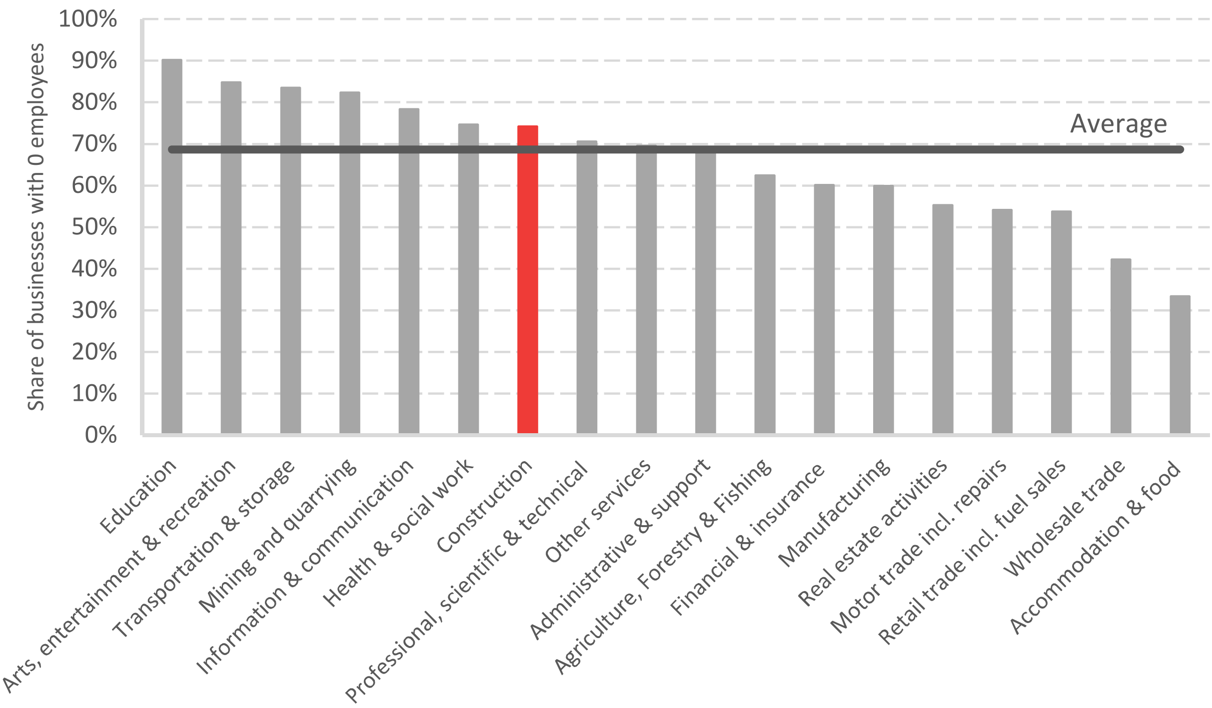
There are around 47,800 construction businesses in Scotland. In 2018, total employment in construction was 185,545 (6.9% of all jobs) of which 48,915 were self-employment jobs and 136,419 employee jobs. Three quarters of construction businesses (35,500) have no employees, while only 1.4% of businesses have 250+ employees. There are only 920 businesses with 20+ employees (this small share is not included in Chart 3). Compared to other industries, construction has a higher than average percentage of both businesses with no employees and of the largest businesses.

Chart 3: Share of construction businesses in Scotland by employee size band, 2018



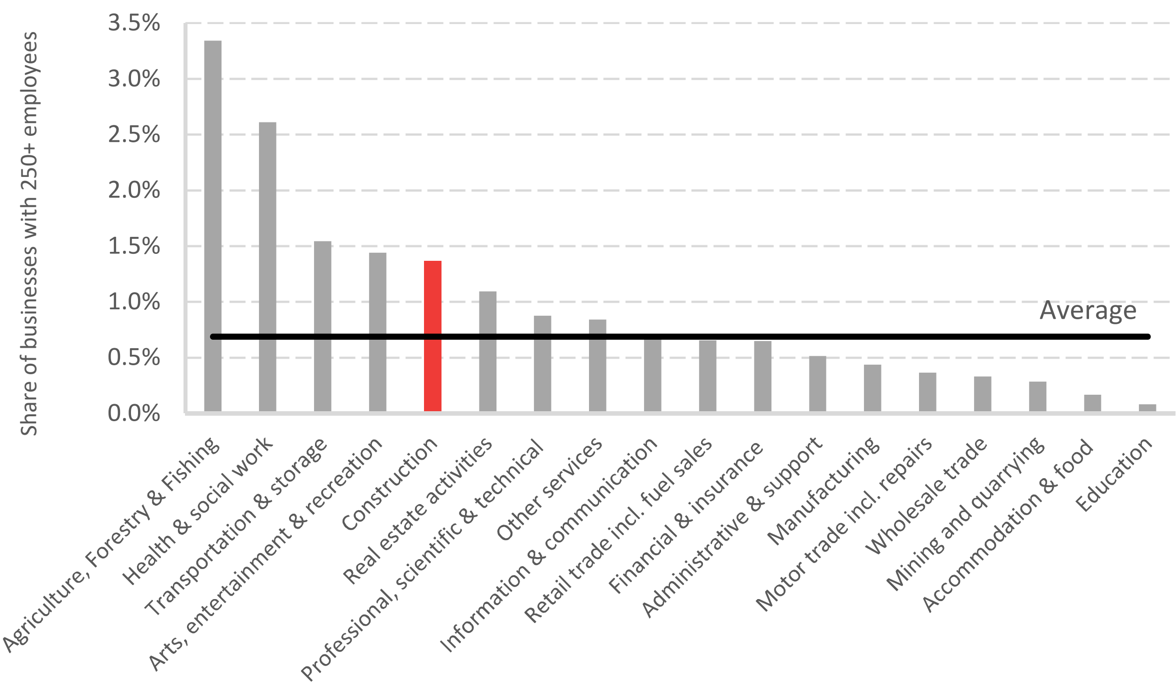
Source: Scottish Government Businesses in Scotland

Chart 4: Share of businesses in Scotland with 0 employees by sector, 2018



Source: Scottish Government Businesses in Scotland

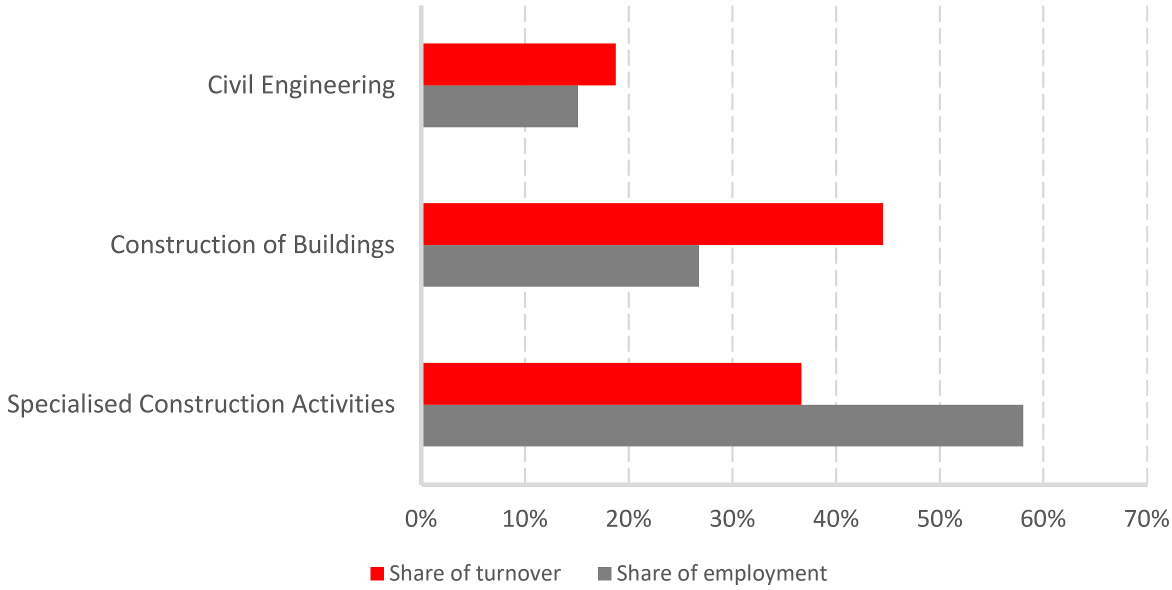
Chart 5: Share of businesses in Scotland with 250+ employees by sector, 2018



Source: Scottish Government Businesses in Scotland

In 2018, specialised construction services had the smallest share of businesses with 250+ employees, whilst civil engineering had the largest share of both businesses with no employees and with 250+ employees. In construction of buildings and civil engineering, zero employees was most common, and for specialised construction, most businesses had 1-4 employees.

Chart 6: Share of employment and turnover in Scottish construction firms, 2018

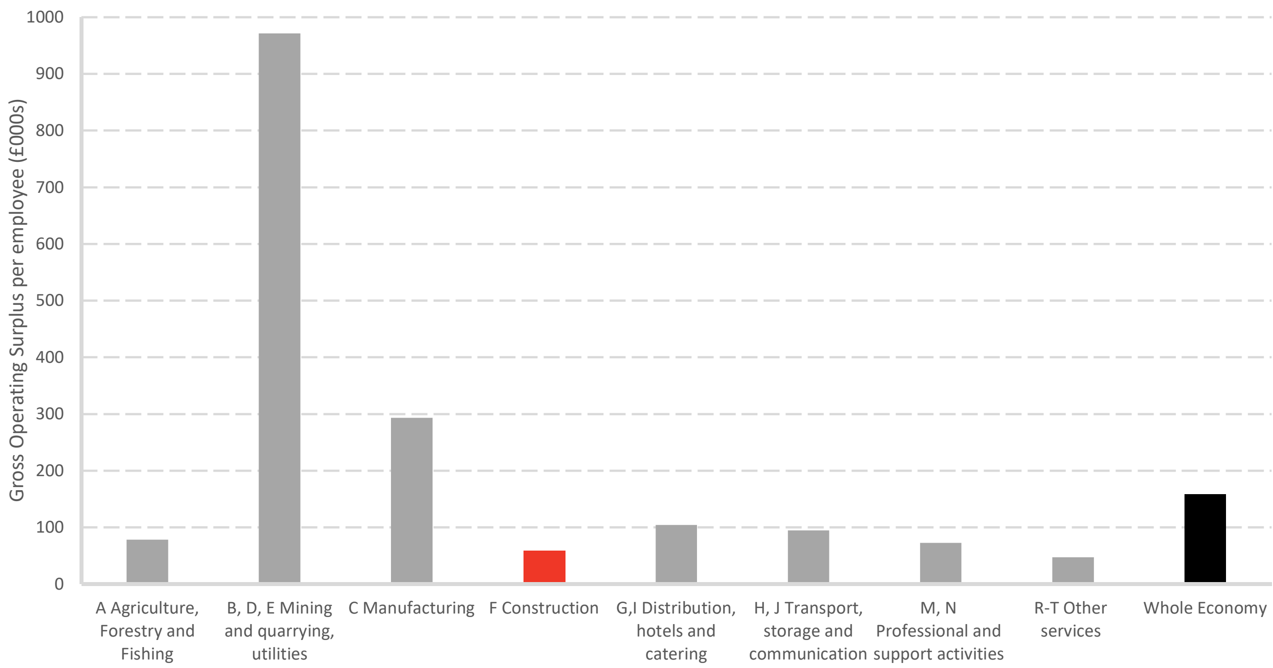


Building construction produces the greatest turnover in the construction industry, with around £9bn in 2018, up 1.5% since 2017. However, specialised work accounts for the *greatest share* of employment, with 76,000 employed in 2018 – also up 1.5% since 2017.

3.4 Financial health of the construction industry

According to the latest data, construction is one of the *least profitable* industries in Scotland, lagging behind most others and the Scottish economy average, and lagging significantly behind the Mining and Quarrying, Utilities, and Manufacturing sectors.

Chart 7: Gross Operating Surplus per employee by sector, Scotland, 2015



Source: Scottish Government Input-Output tables, FAI calculations

Note: Financial and real estate has been excluded from this chart as it includes imputed rent, which skews the figures.

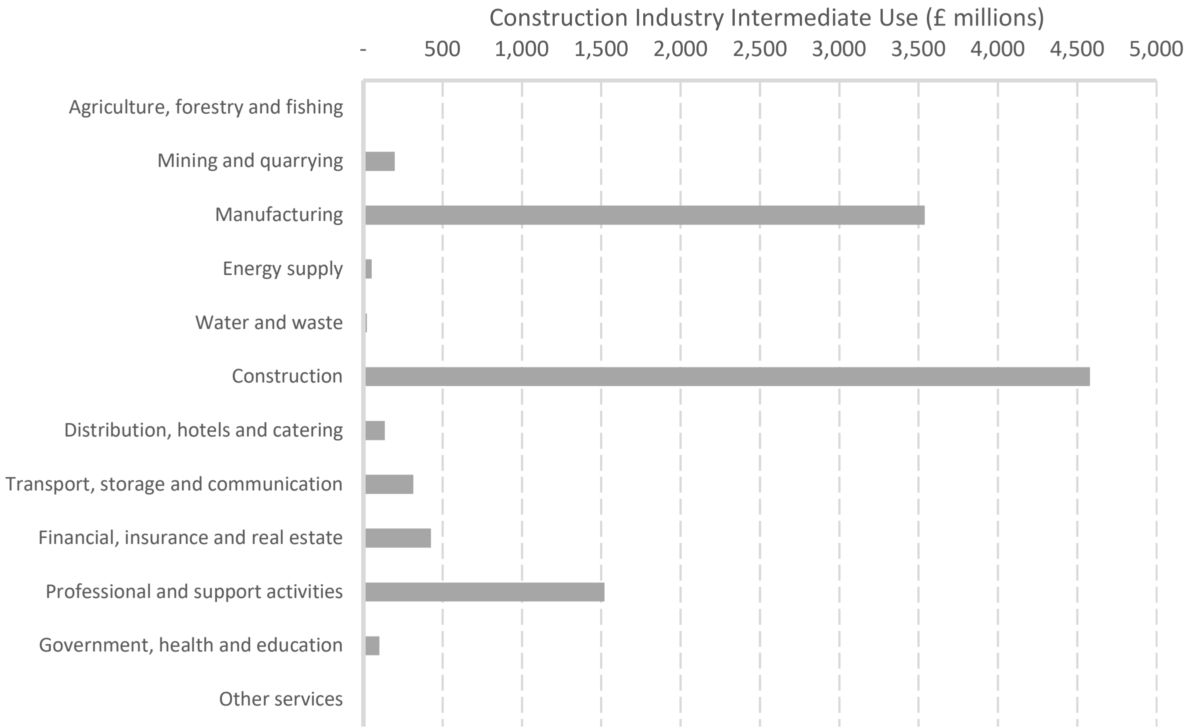
The average turnover in all construction firms is around £450,000, with around £67,000 for businesses with zero employees, and around £55m for those with 250+ employees.

3.5 Contracting and the supply chain

3.5.1 The supply chain

As with many industries, the largest component of the construction supply chain is products from other firms. This is closely followed by manufactured products. The main manufactured products purchased by the industry are cement, lime and plaster, fabricated metal and wood products.

Chart 8: Construction Industry supply chain products, Scotland, 2015



Source: Scottish Government Input-Output table

3.5.2 Supply chain issues: business practices, finance and build quality

Three key reports – Latham (1994) 'Constructing the Team', Egan (1998) 'Rethinking Construction' and Wolstenholme (2009) 'Never Waste a Good Crisis' – provided recommendations to improve the performance of the UK construction industry, and identified procurement and contracting arrangements and the supply chain as areas that could be addressed to improve quality and efficiency. However, the industry has not progressed much in meeting improvement targets or delivering recommended changes since these industry reviews (BIS, 2013).

Union officers provided some evidence about how companies engaged with procurement processes, arguing that unrealistic pricing to win contracts creates difficulties for clients but knock-on challenges for companies as UK contractors "all priced their work to the bone". Unforeseen changes to projects and escalating costs meant that some "British companies held clients to ransom at certain times". Union officers also pointed to some current business practices in the industry suggesting that pressures on value and profitability can create conditions for game-playing by large companies that ultimately drive up costs. They argued that some companies are profiting from projects where the original contractor is replaced due to poor work as "they sit on the side-lines like a substitute… can you fix it? At a cost and it is a hefty cost". By contrast, union officers reported that non-UK owned companies were more likely to provide more predictable costings, increasing their attractiveness to clients. Consequently UK companies have lost out on contracts and become less willing to spend money to tender for jobs that they are unlikely to secure.

Another union officer highlighted concerns that non-UK companies tendering for UK-based contracts often resource these with non-UK labour, materials and equipment which limits both employment opportunities in Scotland and the local impact of sourcing. Officers argued that jobs are often not advertised locally so that the local workforce is "locked out of work" and will often need to travel across the country to secure work. In addition, concerns were raised that some non-UK companies are not recognising existing collectively agreements. Further down the chain, preferred subcontractor arrangements were seen to exacerbate these problems. Unfortunately, there is a lack of robust data on both the national origins of companies operating in the UK construction industry and indeed of the nationalities of their workforces.

Parts of the industry are characterised by low barriers to entry, allowing firm owners to operate with poor managerial qualifications and insufficient experience (Cox and Townsend, 1998). Low barriers to entry can also enable the (re)emergence of so-called 'phoenix firms' even where they have evaded liability to workers and consumers. The volatile nature of the industry and instability in the supply chain has led to insolvency for some large main contractors, the consequences of which have been catastrophic with widespread job loss and a negative economic impact on businesses further down the supply chain (CITB, 2018). This has raised critical questions about financial management and the effectiveness of the supply chain.

The nature of the supply chain - with a main contractor sub-contracting out work to specialist suppliers - results in most construction activity being delivered further down the supply chain where most of the actual value is created (Segerstedt and Olofsson, 2010). Larger and more complex projects will often have a fragmented supply chain involving a large number of SMEs. Whilst this provides access to specialist skills and knowledge, it also distributes risk unfairly further down the chain, increasing costs and obscuring inefficiencies (BIS, 2013). Tier 1 major contractors have come to dominate the industry and the risk is high for subcontractors who work in 'good faith' and invest in the main contractor by accepting delayed payments, effectively subsidising these large businesses (Jackson, 2018). Financial arrangements, such as extended payment periods introduce additional costs and reduce cash flow which in turn reduces industry capacity and output (BIS, 2013). Access to finance is also a challenge in the industry, especially for small firms. It reduces their ability to undertake more building work and expand their workforce (Scottish Parliament, 2019).

Both the UK Sector Deal for Construction and the review of Scottish Public Sector Procurement in Construction raised the issue of prompt and fair payment to contractors and sub-contractors (UK Parliament, 2018; Scottish Government, 2013). Scottish Government recommendations include a trial of Project Bank Accounts, fair payment terms in the supply chain outlined in contractual arrangements between clients and the main contractor, and wider promotion within the industry of the Payment Charter as the 'norm' in how to operate (Scottish Government, 2013).

The quality and standards of construction have long been a concern; Latham (1994) reported a link between the low barriers to entry in general contracting and the poor quality of building work (Cox and Townsend, 1998). Construction projects that are dominated by high levels of unskilled labour and where quality standards are reliant on supervisors are characterised by high error rates and return visits to rectify poor workmanship (Dainty et al., 2007). The union officers highlighted the impact of not having a Clerk of Works to inspect building quality, and the use of 'roving supervisors' covering multiple sites has led to concerns over health and safety practices. Union officers also identified concerns over quality issues stemming from the supply chain which some attributed to poor skills/trades accreditation and regulation in some non-UK countries and to employment agencies who fail to conduct appropriate checks on skills and accreditation. There are serious concerns over poor workmanship and insufficient checking of build quality that could increase the risk of damage to life and property, especially in light of a number of high profile failures (see the Cole report, 2017) in construction projects in Scotland (Construction Scotland, 2018).

3.6 Future strategy

The strategic priorities for the industry in Scotland, therefore, are to improve the delivery of building and infrastructure projects to ensure consistent required quality and standards, eliminate building defects and to rebuild customer and public trust in the built environment. More broadly, the refreshed Construction Industry Strategy 2019-2022 has set out six Strategic Priorities for the industry: procurement; skills; quality & standards; planning & building regulations; growth opportunities; and, productivity & innovation. Construction Scotland's long-term vision for the industry desires a 'major shift in procurement approaches is required, towards long-term and collaborative relationships at all levels of the supply chain and ending the drive to lowest tender price' (Construction Scotland, 2018, pg.4). In early 2019, the Economy, Energy and Fair Work Committee conducted an inquiry into the Scottish construction industry and consulted a range of industry stakeholders to understand better how the industry can help further drive the Scottish economy. The inquiry focused on gathering evidence relating to the industry's economic impact, access to finance, skills, procurement, infrastructure and innovation (Scottish Parliament, 2019).

4. Findings: labour resourcing and fair work

Compared to other industries, construction is heavily labour intensive (Abdel-Wahab et al., 2008). The industry has long been characterised by insecure work but there has been a greater shift towards subcontracting of labour and non-standard employment practices such as self-employment or agency work over recent decades (Dainty et al., 2007). Employers use temporary agency workers to meet peaks in demand and for one-off tasks (Forde et al., 2008) and a demand for numerical flexibility (Toner, 2008). Large UK construction firms tend to operate as 'hollowed-out flexible' firms as very few employ labour directly (Dainty et al., 2007). This probably represents a cost reduction strategy by evading statutory employment obligations and collective agreements (Cremers, 2009).

The industry also faces difficulties in attracting and retaining talent. This is because of its poor public image and perceptions that the work is relatively dangerous, unhealthy, and low skilled, with little job security and uncertain working hours (Cox and Townsend, 1998). There are long-standing issues relating to training and development opportunities for the construction workforce (Toner, 2008), largely shaped by the nature and structure of the industry. Not surprisingly, workers tend to exit and re-enter construction at a greater rate than other industries (Eccles, 1981). Improving industry employment and working practices might help address these talent challenges.

Sector stakeholders including policymakers have a role to play in addressing the challenges outlined above. The three key industry reports have highlighted recommendations relating to people management issues (Dainty et al., 2007). The Rethinking Construction (1998) report identified that a 'Commitment to People' agenda was important to improve the industry's performance. This highlighted the need for decent site conditions, fair wages, a commitment to health and safety and the training and development of managers and supervisors (Egan, 1998, p.14). The Wolstenholme Review 'Never Waste a Good Crisis' reported that the industry's poor image does not attract sufficient high quality, highly motivated graduates, or promote opportunities to women and ethnic minorities. It identified the failure to attract and develop talent within the industry but largely focused on graduate development programmes (BIS, 2013). Dainty et al. (2007, pg.503) report that industry strategies to improve people management practices have focused on implementing cultural change but with little reference to the importance of 'internal structural constraints which impede change'.

The recent construction industry strategy in Scotland outlines a vision to respond to new skills requirements and improve the level of traditional industry skills, to improve public perceptions that construction is a positive career choice, to attract and encourage a more diverse workforce and to address the age and gender imbalance across the industry (Construction Scotland, 2018). There is, however, no specific reference to the nature of work and employment. This is perhaps surprising given the policy aspiration for Scotland to be a leading fair work nation (Fair Work Convention, 2015).

Scotland's Fair Work Convention (FWC) has established a Fair Work Framework that defines fair work as offering opportunity, security, fulfilment, respect and effective voice at work; that balances the rights and responsibilities of employers and workers; and that can generate benefits for individuals, organisations and society.

In 2018 the Scottish Government announced that they would adopt a 'Fair Work First' approach. To win public funding through procurement contracts or business support grants, businesses will have to demonstrate that they are promoting skills, tackling the gender pay gap, paying the living wage, avoiding inappropriate use of zero hours contracts and supporting effective voice, including through trade unions. By 2021, FWF will apply to as many Scottish Government contracts and funding streams as possible (Scottish Government, 2019).

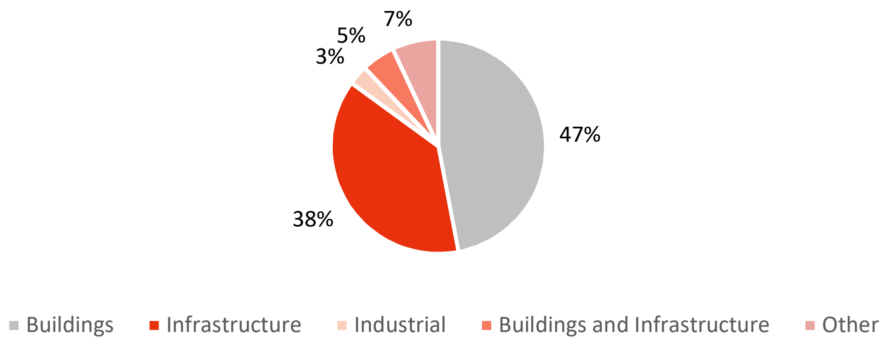
Fair Work First has potential in the construction industry given the level of public infrastructure investment noted by the Scottish Parliament Inquiry (2019) which also delivers work that is more stable than cyclical. Unions such as Unite the union are keen for the Scottish Government to enforce relevant industry agreements in construction as part of the Government's commitment to genuine workforce engagement.

The Fair Work Framework provides the backdrop to our survey of construction workers, and their circumstances, experiences and views are outlined below in relation to the five dimensions of fair work outlined in the Framework. Before turning to these, we outline the types of work undertaken by these respondents and the types of businesses in which they work.

Sub-sector employment

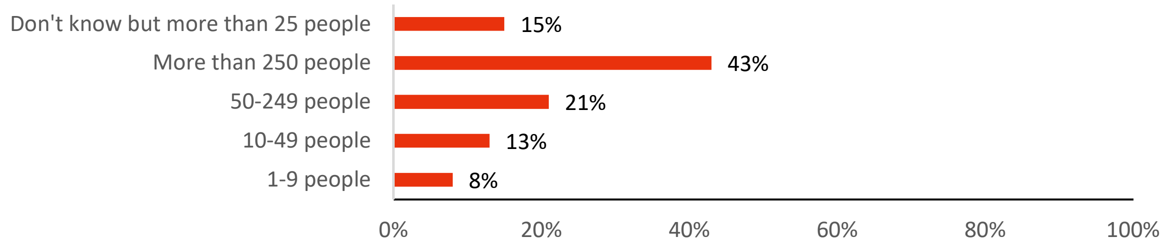
Chart 9 below shows that nearly half of the survey respondents (47%) worked in 'Buildings' (the construction and repair and maintenance of public and private housing, commercial buildings and public buildings). Just over a third (38%) worked in the 'Infrastructure' sub-sector which involves civil engineering of the construction and repair and maintenance of roads, motorways, railways, bridges. A small number (3%) were employed in the Industrial sub-sector which includes, for example, refineries and chemical plants. A few respondents reported working across buildings and infrastructure projects (5%) and these workers were employed, for example as plant or crane operatives. 'Other' sub-sectors specified by respondents (7%) included the oil and gas industry, shipbuilding and aerospace engineering.

Chart 9: Construction sub-sector employment (n=526)



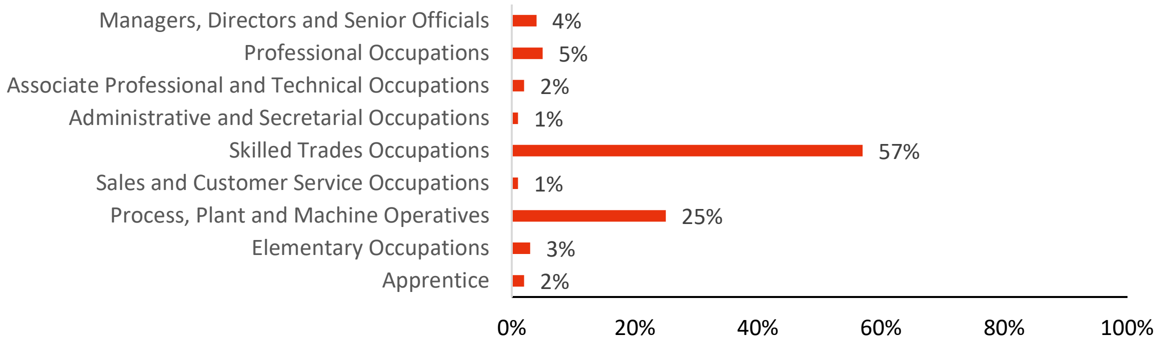
A large minority (43%) worked in a business that employed more than 250 people (see Chart 10). Just over a fifth (21%) of respondents were employed in micro or small businesses. More workers in non-standard work (53%) worked in organisations that employed less than 50 people compared to directly employed workers (15%). Nearly half (47%) of those directly employed worked in large organisations with more than 250 people.

Chart 10: How many people usually work in your organisation? (n=555)



The majority of respondents' jobs were in the Skilled Trades Occupations (57%), which included electricians, joiners, plumbers and heating engineers, painters and decorators. This was followed by Process, Plant and Machine Operatives (25%) such as rail transport operatives and mobile machine drivers and operatives.

Chart 11: What is the title of your main paid job? (n=539)



The survey findings in the next sections focus on the fair work dimensions of security, opportunity, fulfilment, respect and effective voice.[1]

[1] Where a comparison is presented in the following sections, it refers to respondents who are directly employed (n=473) and respondents who are not (the latter category combines those employed through an agency or an umbrella company, the self-employed, business owners/directors and apprentices) (n=83), hereinafter referred to as non-standard workers for brevity. The numbers of business owners/directors and apprentices are small, and do not compromise the category of non-standard work, which is dominated by the self-employed, agency workers and those working through an umbrella company.

4.1 Security at work?

The Fair Work Framework highlights that security of employment, work and income, and predictability of working hours, are important foundations of a successful working life. While other factors such as context and competitive conditions impact significantly on prospects for security, fair work requires that any burden of insecurity and risk simply cannot rest primarily on workers.

4.1.1 Contractual status

In order to better compare employment and work practices in construction with the wider economy, where relevant throughout this report we benchmark our findings to the findings of the UK Working Lives (UKWL) survey[2] of workers across all sectors in the UK. Approximately 15% of workers in the UKWL reported some form of self-employment, a figure that is close to the EU average. Non-standard contract types reported in the survey include temporary/agency (2.5%), zero hours (2.4%) and short hours (0.5%) (CIPD, 2019a).

Self-employment has been increasing as a share of overall employment with construction having a higher than average level of self-employment (see Chart 12 below). In the past 10 years, there has been further significant shift in the industry away from direct employment and towards self-employment. Those with other non-standard contractual arrangements have remained largely stable. In 07/08, around 79% of construction workers were employees but in 2017/18, this was just 76% - self-employment has risen almost 4 percentage points over the same period.

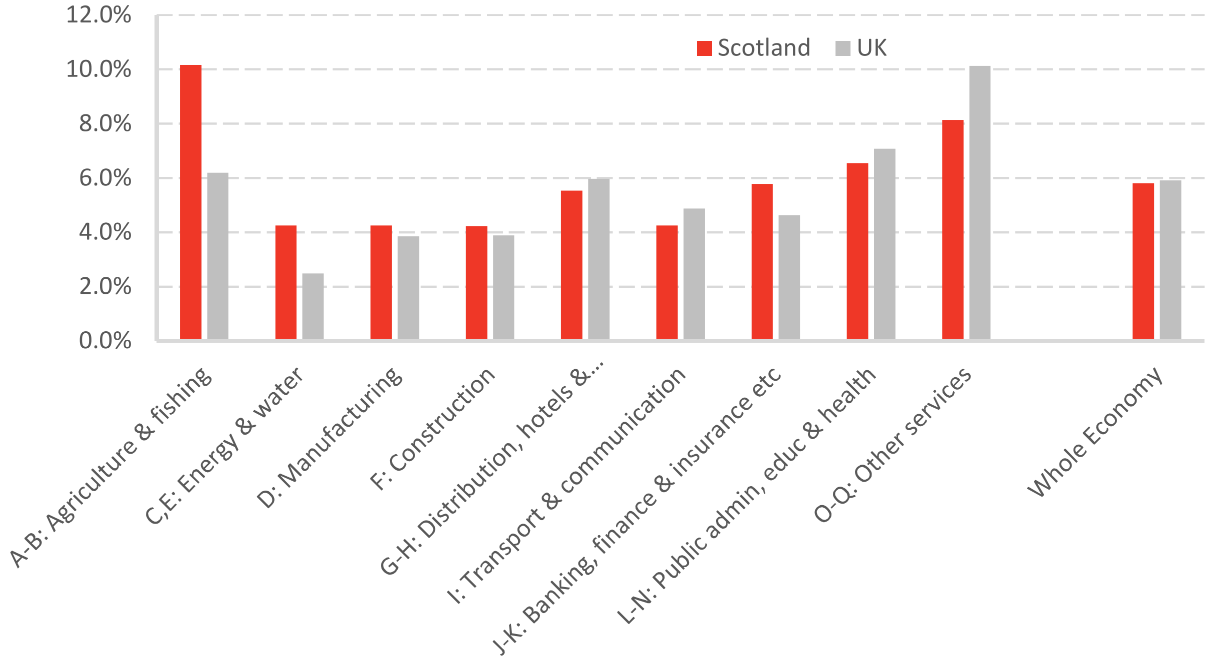
Chart 12: Share of construction employment by contractual status, 2018

ONS Annual Population Survey

[2] The UK Working Lives (UKWL) is an annual representative survey of job quality conducted by CIPD that draws on the experiences of more than 5000 workers in different sectors and occupations across the UK.

According to the ONS Annual Population Survey, the construction industry also has lower than average levels of temporary workers (see Chart 13 below).

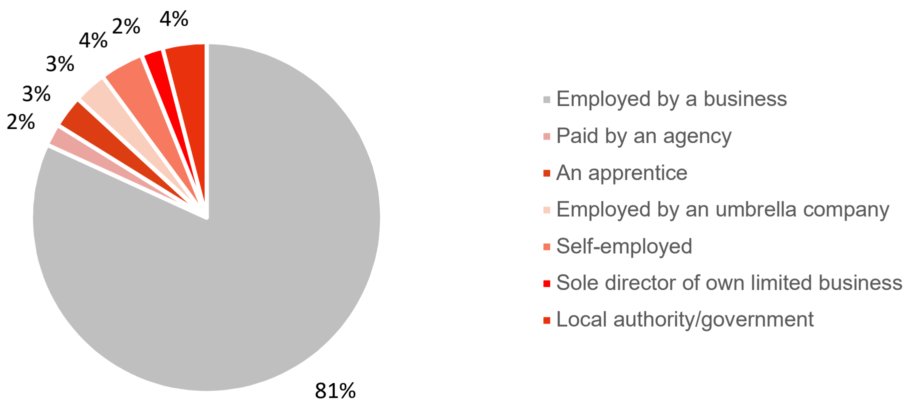
Chart 13: Percentage of temporary workers, 2017



ONS Annual Population Survey

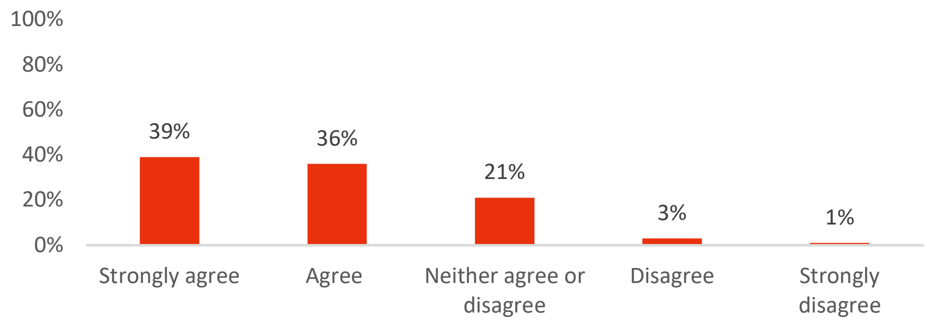
Chart 14 below reports that, in our survey, the majority of respondents were employed directly by a business (81%), largely in line with the UK average. Four per cent indicated non-standard working of various types which included working for a local authority or Network Rail. Self-employment in this group is lower than the construction industry average and for the population as a whole.

Chart 14: Which of these describe your situation at work? (n=556)



Three in four respondents in our survey agreed that there had been a decrease in direct employment in the industry over time (see Chart 15 below). More respondents in non-standard working agreed with this statement (84%) compared with 73% of directly employed workers.

Chart 15: % agreement with statement 'There has been a decrease in direct employment' (n=461)



There was a general consensus among respondents in the open-ended responses in our survey that there was too much use of agency work in the industry and that the circumstances of workers on these types of contracts is very different from workers who are directly employed:

> *"Construction industry is now completely casual, employment is mainly through employment agencies using umbrella companies, industry operates on a hire and fire basis, completely insecure, making it impossible for workers to organise and fight for direct and secure employment, if you raise health and safety issues or general working conditions you will be removed from projects very quickly. i.e. sent back to your agency where you are a non-person"*

> *"The employment system will never improve while work agencies exist. When I started my apprenticeship in 1972 there were scores of electrical contracting companies, there are now barely a handful. The future looks anything but rosy"*

> *"I have noticed a big decline in contractors employing their own staff. I have noticed most workers are employed through agencies on 0hr contracts which must effect there (sic) personal situations with regards to planning ahead, getting loans and mortgages"*

Union officers also raised concerns about the rise of self-employment and agency working:

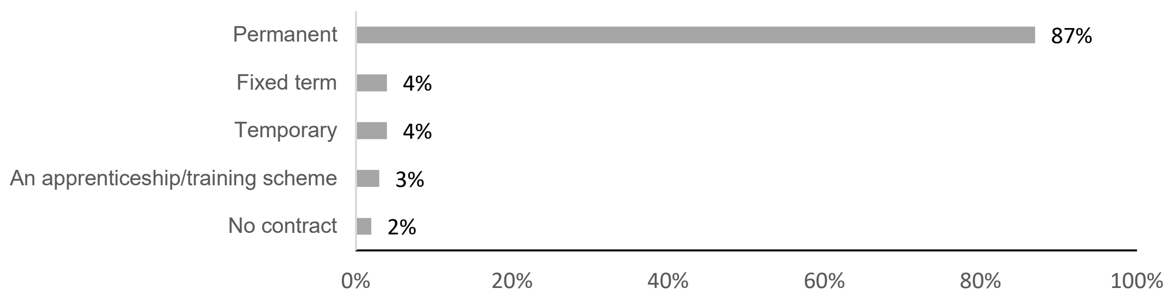
> *"I've got to get work or I don't get work, the only way I'm going to get work is to move towards bogus self-employed, there's no other way I'm going to get it"*

> *"One of the biggest problems we had as well when the Romanians and Bulgarians were coming into the country when they opened it up. What did the British government do? You can come in here as long as you're self-employed so didn't give them a choice so they had to come in here and register as self-employed to get work in the construction industry"*

Contract type

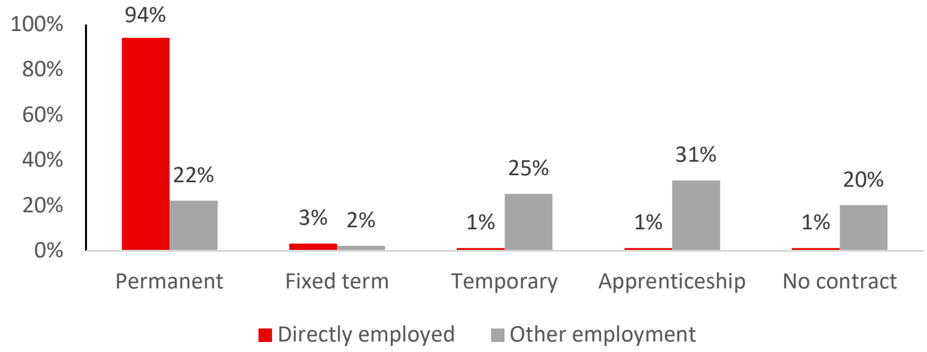
The UKWL survey reported that the number of permanent workers has increased while the proportion of temporary employees has declined in recent years. Nearly four in five respondents reported that they were employed permanently – either full-time or part-time, a figure consistent with UK national statistics (CIPD, 2019a). Chart 16 below shows that respondents in our survey were mostly employed on permanent contracts (87%). The majority worked full-time (98%) with 2% having no guaranteed hours/zero hour's contracts.

Chart 16: What type of employment contract do you have? (n=522)



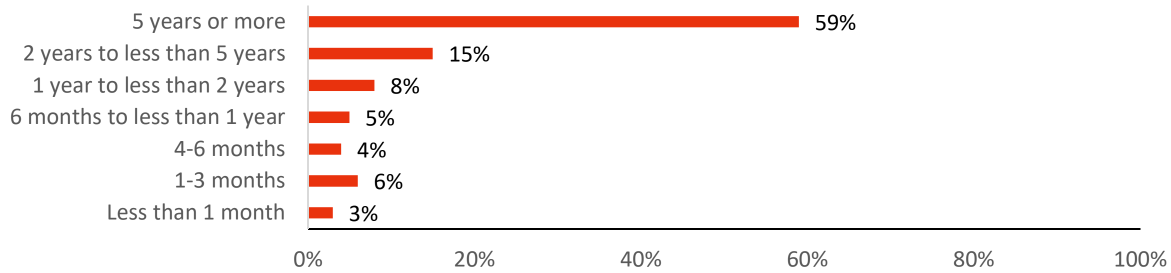
The majority (94%) of those directly employed were employed on permanent contracts. In contrast, 22% of non-standard workers had permanent contracts. This latter group had more variation of their contract type – with 25% on temporary contracts, nearly a third employed as apprentices and a fifth with no contract.

Chart 17: Employment contract by type of employment (n=521)



Nearly 60% have worked with their current organisation for five years or more (see Chart 18 below). Nearly a fifth (18%) had worked in their current job for less than a year. By type of employment, 35% of non-standard workers had worked in their current job for less than six months compared to 10% of those directly employed. Looking at longer tenure, 66% of those directly employed have 5 years or more service compared to 24% of non-standard workers.

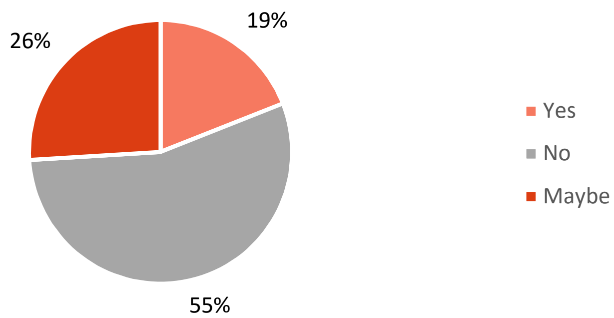
Chart 18: How long have you worked in your current job? (n=556)



4.1.2 Job/employment insecurity

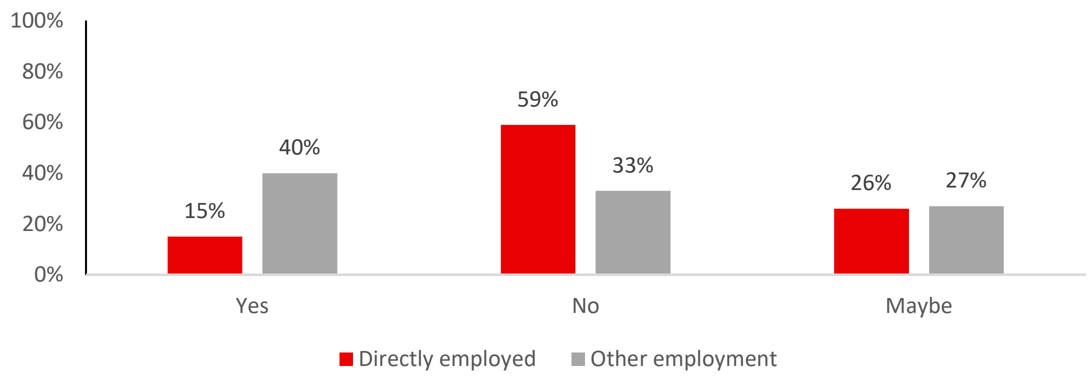
Job security is an important component of job quality (FWC, 2016) and the risk of job loss is a key form of work insecurity. The Skills and Employment Survey (SES) 2017 found that the risk of job loss was at its lowest level in over 30 years with only 9% of workers in Britain reporting that they had a better than evens chance of losing their job in the next 12 months (Felstead et al., 2018). Findings from the UKWL survey reported that 15% of workers '*feel that they are likely or very likely to lose their job within the next year*' (CIPD, 2019a). Respondents in our survey were asked a similar question. Although the majority were positive about security (55%), the unstable nature of construction meant that a large minority were either uncertain about their short-term job prospects or negative (19%) – a higher percentage compared to other UK-wide survey findings.

Chart 19: Chance of losing your job and becoming unemployed (n=457)



In the UKWL survey, those in precarious forms of employment (i.e. temporary, zero hours or short-hours contracts) – almost a third of workers – felt the least secure in their jobs (CIPD, 2019a). Comparing these findings with our respondents, while only 15% of the directly employed thought that they might lose their job in the next 12 months (similar to UKWL), such concerns were significantly higher (40%) for respondents in non-standard work (see Chart 20 below).

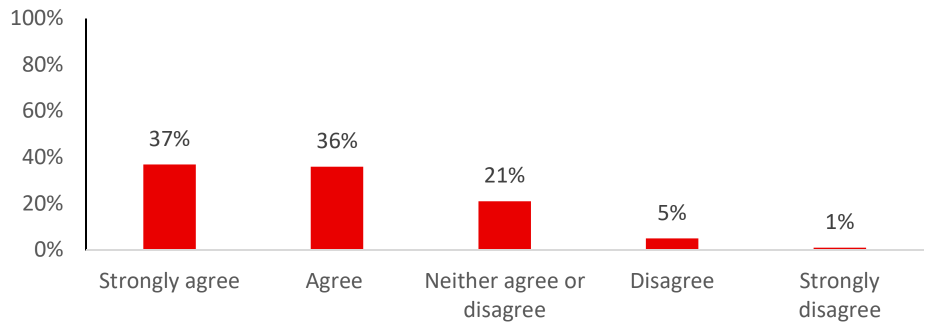
Chart 20: Chance of losing your job and becoming unemployed by employment type (n=456)



There is a strong association between security and tenure: the UKWL survey found that those with shorter tenure are those who feel more insecure. Around a fifth with less than one year tenure reported it likely they could lose their job in the next 12 months, compared with less than one in seven of those with tenure of 15 years or more (CIPD, 2019a). In our survey, longer tenure was also associated with greater perceived security: lowest among those employed less than a month (69%) compared to only 8% of those with 5 years or more of service.

In our survey, 73% also suggested that jobs in the wider industry have become more insecure – slightly higher for respondents in non-standard work (77%) compared to directly employed workers (73%).

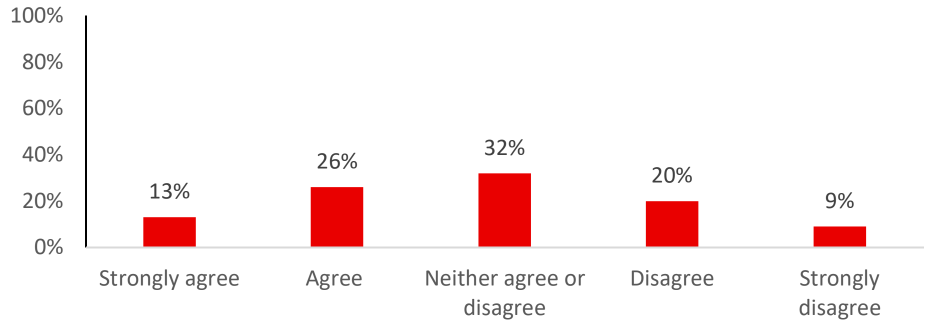
Chart 21: % reporting agreement with statement 'Jobs have become more insecure' (n=462)



In an industry characterised by instability it is perhaps not surprising that a large minority (39%) worried about their job security. This applied less to directly employed workers (36%) than those non-standard workers with less contractual security (53%). As one such respondent commented,

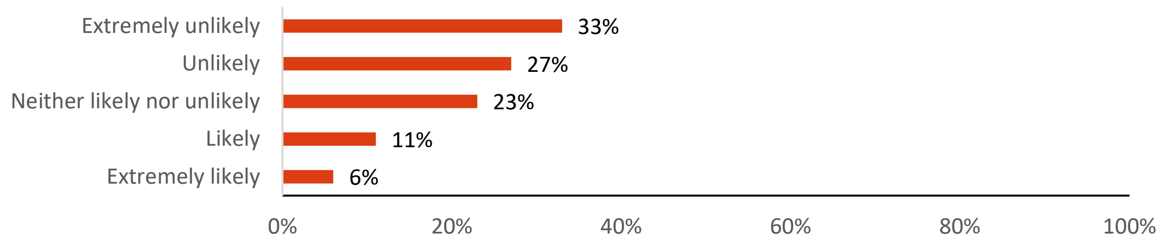
> *"I do not feel valued from my employer. I have been told in recent years that I'm lucky to be in a job. I've been told if I do not want to do a task for safety reasons my company will just use a sub-contractor who will, but it could end up putting me out of a job"*

Chart 22: 'I worry about my job security' (n=515)



Three in five respondents (60%) in our survey reported that it was unlikely that they would choose to leave their current employer in the next 12 months. Nearly, one in five (17%) reported that this was likely to happen – proportionally less among the longer tenured directly employed cohort who were half as likely to think about leaving (15%) compared to non-standard workers (29%) (see Chart 23 below).

Chart 23: How likely are you to leave your current employer voluntarily in the next 12 months? (n=551)

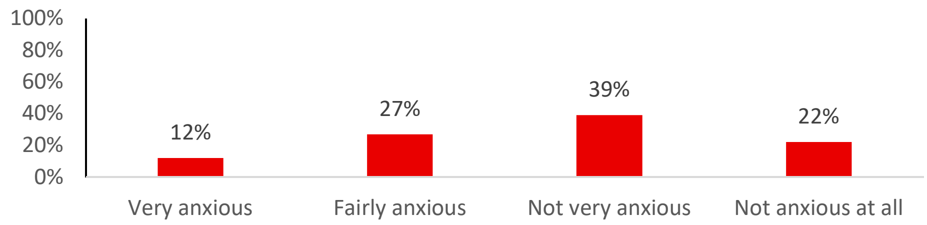


The UKWL survey found that around half of all workers would find it difficult to secure comparable work, with job tenure shaping responses (CIPD, 2019a). Nearly half (49%) of our survey respondents also indicated that it would not be easy for them to find another job if they were to lose or quit their current job with a higher figure (60%) for respondents in non-standard work.

Typical of the literature, dismissal or redundancy is a common occurrence in construction according to our respondents: nearly half (48%) had been dismissed or made redundant at some stage in their previous employment history and of those that were, nearly three in five (57%) reported that they felt this was unfair. One respondent expressed their view about redundancy, *"I feel redundancy is an epidemic in the construction industry, more should be done to protect workers who devote their time to a company that to put it lightly don't give a s**t about you."* Looking at variation by contractual status, 45% of those directly employed have been dismissed or made redundant compared to three in five of those in non-standard work (60%). Of those, 52% of those directly employed and 77% of non-standard workers reported that they did not perceive it has fair.

Respondents were asked how anxious they felt about being dismissed without good reason, with 39% saying that they were anxious about this, slightly more (43%) for non-standard workers.

Chart 24: Level of worry over possibility of being dismissed without good reason (n=499)



Union officers reported that the nature of the industry and the ease at which firms become insolvent meant workers could be made redundant at short notice. Unite the union has been able to support redundant apprentices and reported that they "tend to play a big role in getting them to another employer to finish their time".

Respondents to our survey perceived that the supply chain has become increasingly exploited by big contractors, with 67% of employee respondents agreeing, and non-standard workers more likely to agree (77%). Written comments highlighted how the power of big players impacts on subcontractors and the workforce:

> *"Biggest problem is main contractors holding the purse strings, sub-contractors are squeezed financially. When I began working in the seventies the Architect controlled the money. Lot less Subcontractors going out of business"*

> *"Contracted management are like mercenaries roaming from job to job with no empathy towards the manual skilled worker. A counterproductive process that serves the few"*

> *"Don't get enough backing from my company due to the work they get from the big companies"*

4.1.3 Pay, hours and income stability

Respondents were asked about pay rates and pay periods. Construction has a range of pay periods which can vary between projects so participants were asked only to report their main way of being paid as well as their rate of pay (see Table 1). The majority of our survey respondents reported being paid an hourly rate which ranged between £8.00 and £45.00 (the former may reflect workers under 25 who are not being paid the full national minimum wage). Nearly a third were paid a salary which ranged between £14,000 and £88,500. Looking at the median pay shows that those employed in the non-standard work had higher pay when paid a rate but had lower salaries when paid a salary.

Table 1: Pay data by type of employment (median)

Pay period	Number of responses* (n=503)	Median (all Rs)	Range (all Rs)	Directly employed (n=441)	Non-standard employment/work (n=61)
Hourly rate	274	£15.46	£8-£45	£15.00 (n=232)	£18.00 (n=41)
Daily rate	11	£175.00	£50-£450	£134.00 (n=4)	£220.00 (n=7)
Weekly rate	36	£576.50	£300-£1,800	£560.50 (n=30)	£876.50 (n=6)
Salary	182	£29,000	£14,000 - £88,500	£29,000 (n=175)	£24,578 (n=7)

*Apprentice pay data excluded

While the industry would not, on this data, be categorised as low paid, a number of respondents pointed to factors to be considered alongside pay rates (such as travelling time) and to poor relative pay and real wage decline over time:

> *"Pay rates with my employer are not the best. Was clearing more money 10 years ago. Morale among workers is low. Bit higher than average hourly rate but no bonus, travelling time and time and a half only kicks in after 10 hours work instead of 8. Also no paid breaks. All in all shocking"*

> *"SJIB Rates of Pay for an apprentice should be amended, I started working for £4.50 for 21 months at the age of 25, the national living wage took precedent after beginning 2nd year. This was very difficult as I had to provide my own travel and feed myself with £140 per week. This should be remedied"*

> *"The national minimum wage and the snipf wage as my boss is with snipf but does not go by there wage recommendations which he is entitled to do but as I have bill too pay I think my union and snipf should work together to look into getting an apprentices recommended wage and the minimum wage more fair. For example my unit of pay hourly is 4.9 but snipf say for a second year apprentice it should be 5.3. This is alot of money I have lost and losing that I find unfair"*

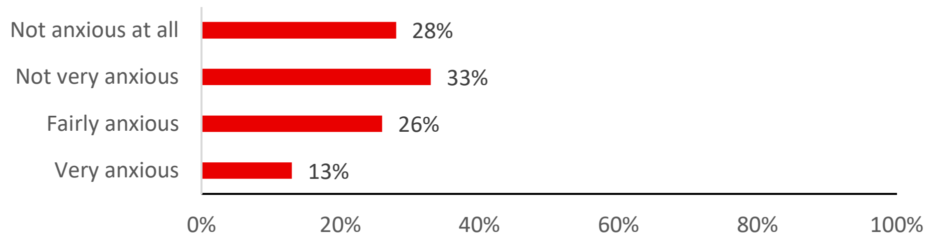
> *"Under paid. Hourly rates in Scotland are way behind other UK rates"*

> *"Wage rises have been very poor in local government and percentage pay rises are making things worse high salaries getting bigger pay rises compared to my low salary"*

Union officers drew particular attention to low pay rates for some agency work, reporting that *"guys are working an extreme amount of hours to make good money".*

Nearly two in five respondents were anxious about future changes that may reduce their pay. Those in non-standard work were more anxious (49%) than those directly employed (37%).

Chart 25: Anxious about future changes that may reduce your pay (n=498)



When asked about additional earnings, respondents reported on holiday pay, overtime payments, sick pay and additional payments (see Table 2). Looking at earnings by employment type, the directly employed fared better than those in non-standard work, notably in relation to entitlements such as sick pay and holiday pay.

Table 2: Earnings by employment type	Directly employed	Non-standard employment/work
Basic fixed wage or salary (n=529)	94%	85%
Piece rate or productivity payments (n=433)	21%	20%
Extra payments for additional hours/overtime (n=513)	84%	66%
Extra payments for bad or dangerous working conditions (n=435)	14%	7%
Extra payments for Sunday work (n=479)	65%	49%
Sick Pay (n=499)	81%	30%
Holiday pay (n=516)	97%	43%

As the comments below indicate, respondents had a range of concerns regarding both pay and other benefits:

> *"My main concern is the pension age, it's madness that my retirement age is set to 67 and could rise further. Consideration should be made for people who work in the construction trade to retire earlier. Sick pay is a joke, my company only pays statutory sick pay which is a pittance compared to our weekly pay. I wish it was law that you have to be paid at least your basic 39 hour week"*

> *"I would like more money for the job I do as I have not had a pay rise in a number of years. I work alongside network rail. Doing the same job but do not get paid anything like they are paid or receive the same benefits that network rail workers receive. i.e. higher wages, bonus payments, sick pay, holiday pay, extra money for working shifts when they are meant to be off work. More subsistence when working away from home"*

> *"If you work all your days you should have more of a pension or made to retire earlier if your job is labour intensive on the same pay"*

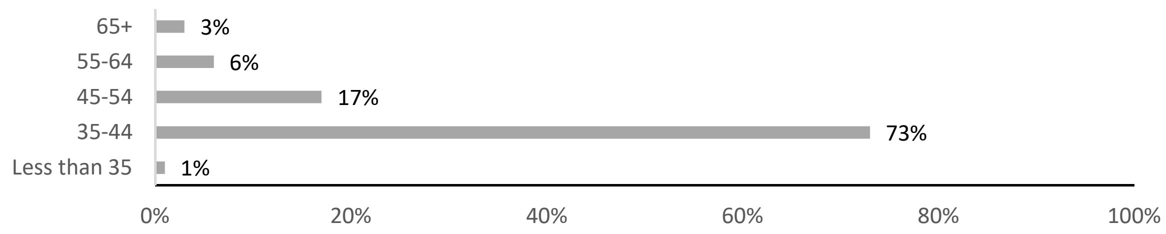
> *"Angry that our parent company has great terms and conditions that's the office side, yet the side of the company that I work for has very poor terms and conditions no sickness benefits and a very poor pension, it's part of a charitable housing*

association so everyone should be entitled to the better terms not just one part of the company?"

"I don't feel that the more qualifications you have to do your day to day role is reflected in the pay structure, i.e. you don't get a pay review on passing qualifications or a professional qualifications, you get remarks like this no pay rise but it makes you more employable, and sick pay in full is down to manager's and HR discretion"

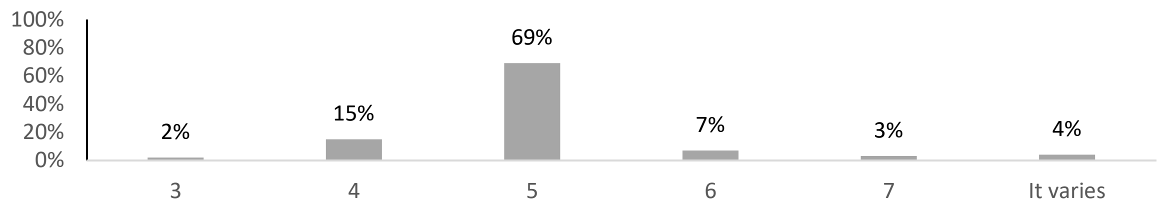
Average working hours in the UK in 2018 were 37 hours (CIPD, 2019a). Chart 26 below reports that the majority of our respondents (73%) were working full time hours which ranged between 35 and 44 hours per week. Of concern, nearly 10% were working more than 55 hours per week. One respondent stated that, *"I believe that in this country the work/life balance is very poor. A lot of hours are needed to be worked to get a decent weekly pay."*

Chart 26: Hours usually worked per week (n=545)



The majority of respondents (69%) normally worked a five day week and the 4% that reported variable hours worked either a five or six day week.

Chart 27: Number of days usually worked per week (n=526)

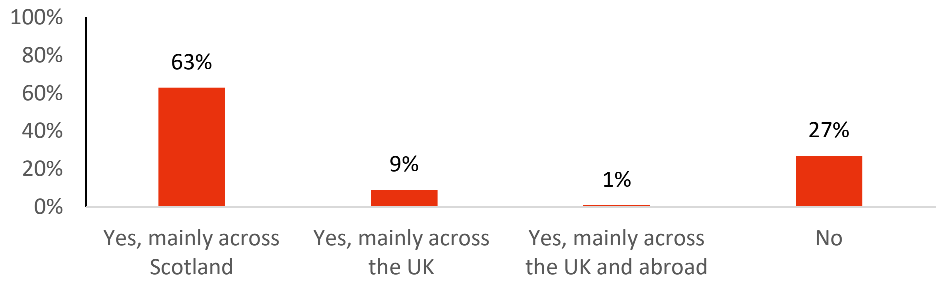


Despite the predominance of a 5 or 6 day week, one respondent argued for more innovation in working time:

"I think it is time the construction industry adopted a 4 day week. I worked on a job for 2.5 years where this was the case and it was brilliant. Less traffic on the roads as another benefit. Save travelling and using all that fuel. Less pollution"

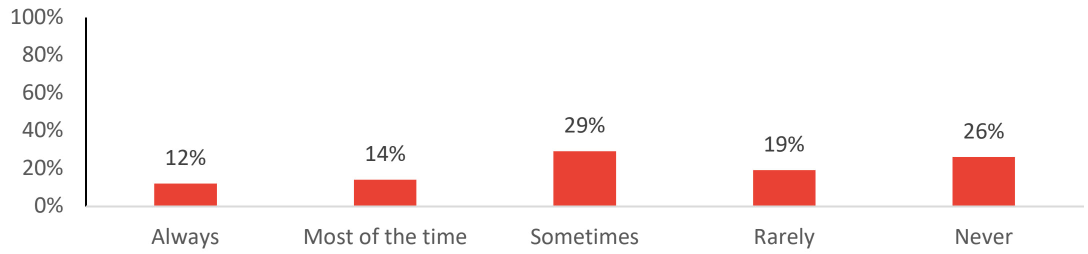
Regular travel to work is common (73%) (see Chart 28 below). The majority of this is to sites across Scotland (63%) rather than the UK (9%) or the UK and abroad (1%). This applies to similar proportions of directly employed workers (63%) and non-standard workers (59%), although relatively more of the latter work across the UK (17%) compared to the former (7%).

Chart 28: Do you travel regularly for work? (n=556)



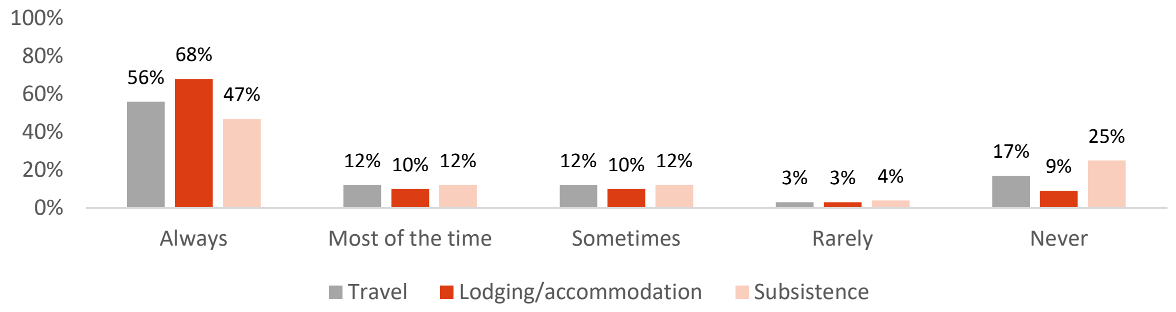
Just over a quarter (26%) of respondents reported that they are expected to travel significant distances to access work most or all of the time (see Chart 29 below). However, a significant minority (45%) are never or rarely expected to travel significant distances. Similar results were found for directly employed workers (25%) and those in non-standard work (29%).

Chart 29: 'I am expected to travel significant distances to access work' (n=524)



Given the earlier travel-to-work figures, respondents reported that their accommodation costs were more likely to be more comprehensively covered by their employer than travel and subsistence (see Chart 30 below). Accommodation costs were mostly covered either always (68%) or most of the time (10%). Travel was covered all (56%) or most of the time (12%), as was subsistence (47%) all or most of the time (12%). A quarter reported that their subsistence whilst working away from home was never covered and nearly a fifth (17%) reported that their travel costs were never covered by their employer.

Chart 30: When working in a different location from where you live, are the following paid for by your employer?



While most direct employees were more likely to have all of these costs met by their employer, the figures were much lower for those in non-standard work – 40% for travel, 52% for accommodation and 36% for subsistence. Some respondents also noted that those not directly employed were also subject to other financial challenges:

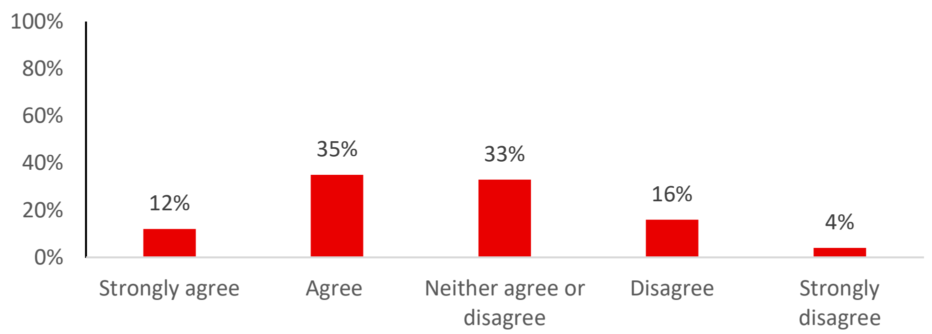
> *"Employment agencies are using umbrella companies forcing guys to make false expenses claims to make wages up…there is no security when working agency as you can be paid off at a minute's notice with no holiday pay … companies use the system to suit themselves"*

> *"Agencies often charge companies much higher than what is paid in wages for workers and force them to use payroll companies which process wages for 15-30 quid per week. Agencies need to be outlawed and worker co-ops prioritised"*

Income

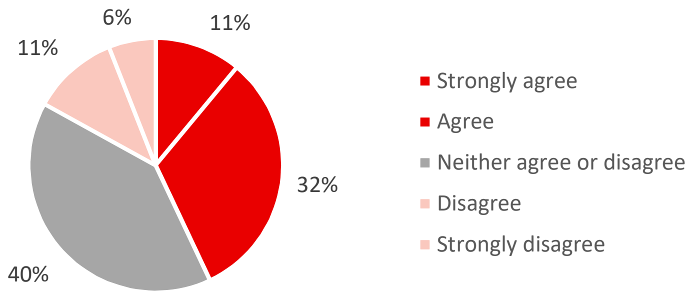
Nearly half (47%) (see Chart 31 below) responded that income has become more predictable over time with little difference reported between those directly employed (50%) and those in non-standard work (47%).

Chart 31: Income has become more predictable (n=461)



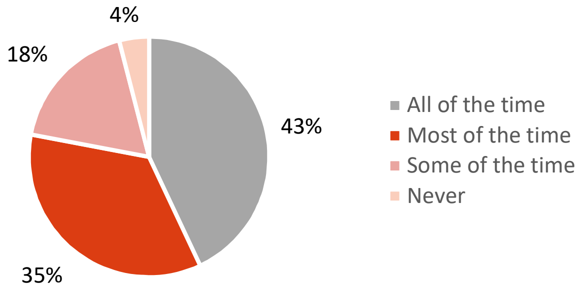
There were also more positive responses by a large minority (43%) agreeing that their employer is prioritising providing workers with a predictable income. This was reported by significantly more of those directly employed (44%) than in non-standard work (34%).

Chart 32: 'My employer prioritises providing me with a predictable income' (n=513)



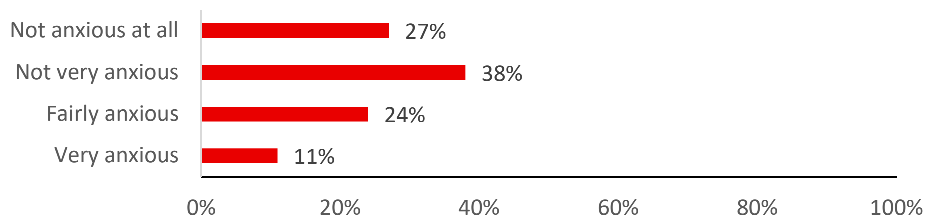
Nearly four in five workers were getting enough hours of work to meet their basic income requirements (excluding paid overtime and performance-related pay) most or all of the time (78%). Just over a fifth (22%) were never or not always getting enough hours of work to meet these requirements. More directly employed workers (80%) reported that for most or all of the time they had enough hours of work to meet these requirements compared to 69% of those in non-standard work.

Chart 33: Do you get enough hours of work to meet your basic income requirements? (n=524)



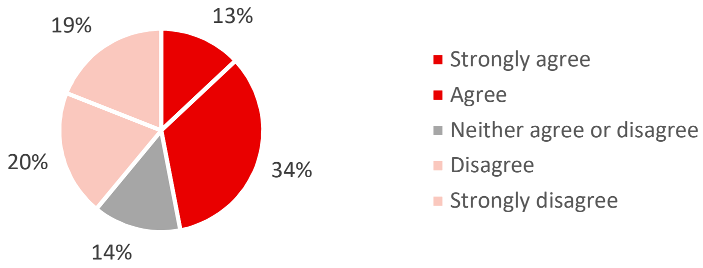
Just over a third (35%) were either fairly or very anxious about unexpected changes to their hours of work – higher for those in non-standard work (47%) compared to those directly employed (33%).

Chart 34: Anxious about unexpected changes to your hours of work (n=499)



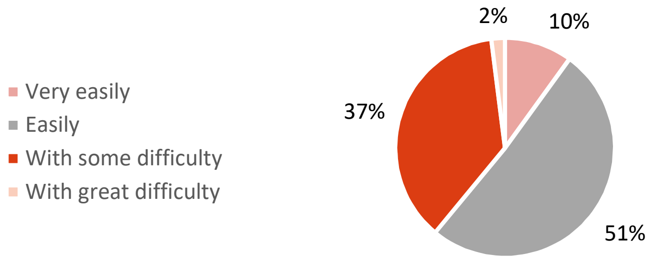
A large minority (39%) disagreed that they would be financially secure if they experienced long-term sickness absence (20 days or more of continuous absence from work). As indicated earlier, the directly employed benefit more from the employer offering support relating to sick pay and this is reflected in the different findings about financial security, and only 28% of those in non-standard work thought they would be financially secure compared to 50% of the directly employed.

Chart 35: If I had long-term sickness absence, I would be financially secure (n=514)



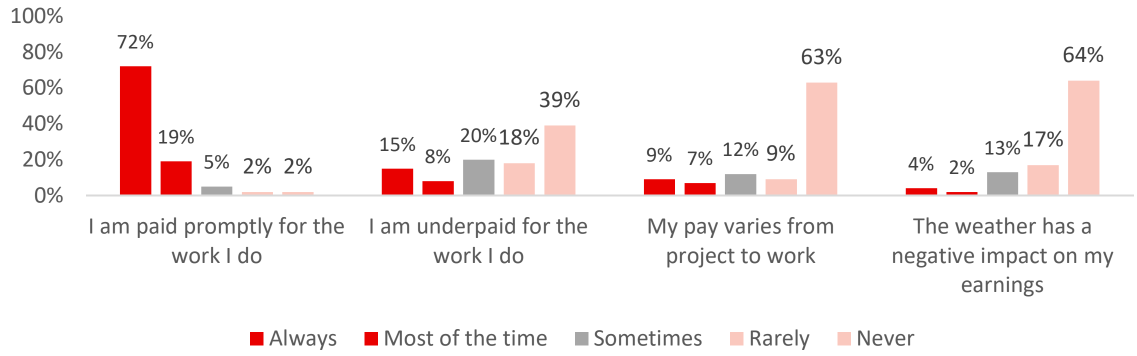
Construction workers in our survey were more likely to report difficulties in making ends meet with their household total monthly income compared with respondents in the 2015 European Working Conditions Survey (EWCS) – with 39% reporting such difficulties compared with 21% in EWCS 2015 (Eurofound, 2017).

Chart 36: Thinking of your household's total monthly income, is your household able to make ends meet? (n=526)



Respondents were asked about issues that can affect their pay and income (Chart 37 below). Just under a quarter (23%) reported that they felt underpaid most or all of the time, and 16% stated that their pay varies from project to project most or all of the time. The weather did not appear to be a factor shaping earnings with 81% reporting that this rarely or never happened. The majority of respondents (91%) indicated that they were always, or most of the time, paid promptly.

Chart 37: How often do you experience the following that may impact on your income



There are differences on these issues according to employment status (see Table 3 below). Four times more respondents in non-standard work (16%) felt that the weather has a negative impact on their earnings than the directly employed (4%). Over two in five of those in non-standard work indicated that their pay varies from project to project compared to 12% of the directly employed.

Table 3: Employment factors impacting on income by employment type

	Directly employed	Non-standard employment/work
I am paid promptly for the work I do	93%	84%
I am underpaid for the work I do	22%	26%
My pay varies from project to project	12%	42%
The weather has a negative impact on my earnings	4%	16%

Union officers also highlighted challenges in terms of sub-contractors getting paid and their rates of pay:

> *"it's scary how much the work gets subbied out … maybe it's been subbied down so far and then they get to work, they do the work and then they don't get paid"*

> *"We have issue with retention … it's a percentage that comes off their wage and it's based on what they do for their work and if it's not good enough the retention is held"*

> *"these guys do live month to month, there's a lot of ripping off going on. Not only on publicly funded jobs, but if its public funded you're more likely, it's not going to be as bad. If it's private funded, investor funded or anything like that, it can be the wild west"*

> *"as long as they pay the Scottish Living Wage, which is a 63% pay cut to our members"*

> *"I mean if we argue for minimum standards, the problem with that is the minimum becomes their standard so we need to be careful how we couch that as well"*

Overall, security at work – and hence fair work – in the construction industry in Scotland is limited for a significant minority of workers by insecure contracts and self-employment; lower pay; income variation and perceived job insecurity alongside concerns over future employability. The experience of those workers not directly employed is commonly worse, raising concerns as to how any increase in self-employment or other forms of non-standard work like agency work, payroll companies and umbrella contracts may further reduce fair work in the industry. There was also some indication of deteriorating experiences for directly employed workers.

4.2 Opportunity at work?

In the Fair Work Framework, fair opportunity allows people to access and progress in work and employment through, for example, fair recruitment and selection procedures and equality of access to training and development and to promotion and career progression.

There are challenges to offering fair opportunity in the UK construction industry. Construction firms, which are predominantly SMEs, are often reluctant to invest in skills and training because the highly competitive environment in which they operate is characterised by short-term planning and low profitability (Cox and Townsend, 1998; Toner, 2008). The short-term employment relationships through the use of temporary labour as well as the high levels of self-employment is another reason employers are reluctant to invest in skills development as the return on investment may not be realised (Forde and MacKenzie, 2005; Dainty et al., 2007). It is also recognised that SMEs train many apprentices who then move on to larger companies when qualified (CITB, 2018).

The lack of skills investment by employers leads to skill shortages (Forde and MacKenzie, 2005) and the uncertainty of the free movement of EU labour post Brexit only exacerbates the issue within particular sub-sectors of the industry that are highly reliant on EU migrant workers (Biosite, 2019). The Construction Skills Investment Plan (SIP) identified concerns over an ageing workforce and the large numbers of workers set to retire will inevitably impact on skills shortages in the industry (SDS, 2015).

4.2.1 Diversity

UK industry statistics show that creating inclusive and diverse workplaces in the industry remains a very real challenge (SCDI, 2019) – the profile of the workforce is predominantly white and male (SDS, 2015) with women accounting for only 12% of the workforce (ONS, 2017). Nearly all (99%) of on-site workers are men and the number of women starting apprenticeships is not increasing (Construction Scotland, 2019). Statistics show that around 1.4% of entrants in the MA programme 2017/18 were female, a percentage that has not varied significantly in the previous five years (CITB, 2019).

There is widespread acknowledgement that the industry needs to increase the diversity of its workforce to attract new talent and meet future skills shortages. To attract a more diverse and inclusive workforce the industry needs to address its long-standing image problem and promote the industry as a positive career choice (CITB, 2019; Construction Scotland, 2019; Scottish Parliament, 2019; SDS, 2019). The Construction Skills group is currently gathering evidence to share best practice from workplaces that are thriving through a more diverse working environment (Construction Scotland, 2019).

Women were a smaller proportion of the sample in our survey and their numbers were too small for any further analysis by gender. One female respondent indicated that it was *"Still difficult to work in a male dominated environment".* A positive comment in our study related to gender with one union officer suggesting that women tended to do well in terms of promotion:

> *"Female apprentices they tend to go up the scale pretty quickly, they tend to be off the tools pretty quickly, and into work based positions or site based positions …a lot of supervisors within the painting occupation are women"*

4.2.2 Entry routes to the construction industry

The need for investing in skills of the future workforce is crucial due to an ageing workforce in the industry (Abdel-Wahab, 2012), particularly through the apprenticeship system which underpins the industry's skills base (Construction Scotland, 2019). Despite the broader economic challenges where SMEs operate in a short-term survival mode that often deters employers to invest in a four year apprenticeship training, the industry has shown long-term commitment to craft apprenticeships with this method of training seen as a key entry route into technical trade jobs (SDS, 2015). Construction and related is the largest Modern Apprenticeship framework in Scotland (SQW, 2017).

There is a continuing need to ensure that the content of apprenticeship courses meets industry needs, balancing those needs in terms of both numbers and the content and quality of training (Construction Scotland, 2019). While Scotland has over 5,000 modern apprenticeships in training, union officers had concerns over skills dilution and fragmentation in the apprenticeship model, as well as weakening of registration bodies that shape apprentices' wages, terms and conditions. The unions have fought to preserve level three within construction:

> *"Scottish apprentice model was a gold plated model … employers are attacking it is they want to fast track apprentices through the system … only doing one and two years apprenticeship and it ticks all the boxes for the government to say how many apprentices they're putting in the industry"*

Union officers recognise both good and bad practice in apprenticeship training and support, highlighting particular concerns over smaller employers and the challenges of skills acquisition and development given volatile demand in the industry, particularly in terms of predictability of scheduling training and getting time off to train:

> *"There's loads of employers, like some of what we've mentioned where, with apprentices certainly, they've helped them. They treat them right, they pay them good money, there's chances for them to do whatever they want. But there's apprentices within, it tends to be smaller contractors. The bigger companies, they tend to adhere, for the most part, to the Apprenticeship Agreements"*

4.2.3 Qualifications

Construction workers can gain experience without having qualifications and workers achieve qualifications in a variety of ways. As one union officer noted, "the traditional way in construction if you're a new entrant, and you're lucky enough to get an apprenticeship would be a traditional four year craft apprenticeship". However, a lot of older workers within the industry may never have undertaken an apprenticeship when joining the industry and the union officer went on to say that they would have "learnt on the tools… and they built up all this experience and skills but didn't have any qualifications".

Scotland has a much larger proportion of new entrants on an SVQ level 3 qualification compared to all other areas (IER, 2010) and Level 3 is the expected level of required skill (Toner,2008). Respondents in our survey were asked to indicate their highest level of qualification, with 24%

reporting that they had an SVQ Level 3 (or equivalent), followed by 22% reporting SVQ Level 1 or 2 (or equivalent) and 19% reporting they had Standard Grade (or equivalent) qualifications.

Table 4: What is the highest level of qualification you have? (n=550)

Qualifications	%
No qualifications	8%
O Grade, Standard Grade, Access 3 Cluster, Intermediate 1 or 2, GCSE, CSE, Senior Certificate, National 4, National 5 or equivalent	19%
GSVQ Foundation or Intermediate, SVQ Level 1 or 2, SCOTVEC Module, City and Guilds Craft or equivalent	22%
SCE Higher, Higher, CSYS, A Level, AS Level, Advanced Senior Certificate or equivalent	8%
Advanced Higher, HNC, SVQ Level 3	24%
HND, SVQ Level 4	6%
Degree (e.g. BA, BSc, Bed	4%
Higher Degree, postgraduate qualification (e.g. MSc, MA, MBA, PhD)	1%
Other qualification	8%

Respondents also agreed or strongly agreed (72%) that workers are now required to have qualifications to work on site, similarly reported by directly employed and non-standard workers. However, as one worker responded that the *"use of unskilled labourers as tradesmen common practice."*

The union officers explained that trade cards are seen as good practice and a pre-requisite to employment set up to regulate the sector and perceived as a positive change. One union officer explained that "the policy from the CITB was to move that hundred per cent carded to a hundred per cent qualified so the person holding the card is actually qualified in their occupation". However, if workers are not qualified they can be disadvantaged in terms of accessing work as one union officer reported that "since the change in policy everyone is required a qualification but now all the main contractors in Scotland are now, it's a three line whip, sort of thing where if you don't have the right card, you're not getting on site…so in reality guys are losing out on employment because they've not got the qualification".

4.2.4 Training

The majority of respondents (63%, n=350) had undergone training in the last 12 months that had been paid for or provided by their employer (see Table 5 below). Twenty six per cent had not participated in any training, 10% had organised and paid for their own training and 7% had undertaken training that had been organised through the union.

Table 5: Types of training undertaken to improve skills

	Number	%
Training paid for or provided by your employer	350	63%
Training paid for by yourself	57	10%
Training organised through the union	40	7%
Other training	13	2%
No training	145	26%

Forde et al. (2005) reported that highly skilled, permanent construction employees are more likely to receive training than precarious unskilled workers. Looking at training by employment type in our survey reveals that those in non-standard work are paying for their own training (31%) more commonly than those directly employed (7%). Approximately a quarter of both employment types received no training over the last 12 months. One union learning officer reported that if workers want to do other courses as part of CPD to make them more employable they have to fund this, "the burden of responsibility when it comes to costs tends to fall on the individual in construction".

Table 6: Types of training by employment type

	Directly employed	Not directly employed
Training paid for or provided by your employer	67%	41%
Training paid for by yourself	7%	31%
Training organised through the union	8%	2%
Other training	2%	6%
No training	26%	25%

Respondents to our survey also provided some comments about their views on training in the industry:

> *"I feel that in my current job I was promised training by the manager of the company and this is not happening. This is now going to affect the way I am supposed to do my job in this industry which is automatic doors. We have already had one instance of a lady being knocked down by a door. Lack of training is the cause of this and I find it very uncomfortable trying to do my job properly. I have raised the training issue a few times and it has now got to the point where I would lose my job because I am still in the 3 month probation period"*

> *"I study part time for an HNC in electrical engineering at Edinburgh College. My employer is ok with me taking one day per week to attend college but does not pay for tuition or the time spent in college. My family help me with the costs associated with studying"*

> *"The budget for training has gone down drastically over the last five years. Retraining is seen as a nuisance"*

> *"Training needs to get better as there seems to be very little"*

> *"I work in the electrical contracting industry and feel time for proper training of young trades people has disappeared with high levels of production more important also wages for the electrical trade have never caught up since the recession 11 year ago"*

> *"…very big problem with training. 14 years' experience with one company I have just one training, cost from my own pocket. Lack of control over the fact that companies help employees in their personal development"*

Location of training

In our survey, respondents reported a mix of on-the-job training (51%) and off-the-job training (45%). Fifteen percent reported that they were having to complete training off the job and in their own time in order to develop their skills. In Table 7 below, more respondents in non-standard work undertook more off the job training in their own time (36%) compared to those directly employed (11%).

Table 7: Location of training by employment type

	Directly employed	Non-standard employment/work
On-the-job training	53%	40%
Off-the-job training	46%	41%
Off-the-job training completed in your own time	11%	36%

4.2.5 Unions, skills and learning

Union officers had some concerns that ongoing training and development was not well supported by many employers. Union-led projects have supported qualifications attainment to ensure workers remain employable and progress within the industry. In particularly they have supported workers who are at the greatest point of need who live month to month such as agency workers or the self-employed. The Scottish Union Learning Funding is a key resource to support the unions who can offer learning opportunities for members and non-members. Unite the union has a three year project funded by SUL and the CITB Structured Fund with the aim of retaining skilled workers by getting them qualified to VQ level 2 (so that it is not seen as an alternative to a traditional apprenticeship). Around 50-70 workers per year are supported by this project, however the demand outstrips the supply. A union learning officer recognised the benefits this project brings:

> *"These guys will always remain in employment for the rest of their working life within the sector, they've got the bare minimum to do that…it protects their employment, it protects their earning capacity within the sector".*

The union recognises that there are several challenges in getting workers qualified. The nature of being called to work on jobs at short notice as well as working across different locations for short periods of time create challenges in bringing in assessors to gather evidence. The time off to train is another challenge due to employers reluctance to release workers who already possess the skills to do the job. Alternatively workers have undertaken training in their own time, as one union learning officer explained, "I mean the guys work five days and they're still quite happy to come out on a Saturday because they know at the end there is advantages for them doing those courses". However, undertaking training in their own time is challenged when given the opportunity to work overtime as one union learning officer explained "that can have an impact on completion rates because they need the money". Last minute shift changes can also affect opportunities to complete training, "Do I have a job or do I go and get a better skill set do you know what I mean, it's like a chicken and egg kind of thing" and inevitably workers are pressured to prioritise employment opportunities, "it goes back to that point about you know like if you don't take the job you don't get asked the next time" and "so in this day and age people can't really afford to miss out to get that maybe a wee bit extra cash to see them through".

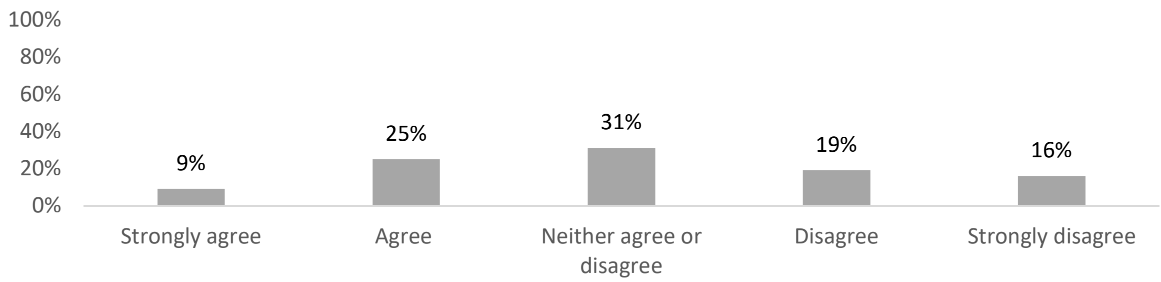
4.2.6 Career development

Career development opportunities form an important part of job prospects (CIPD, 2019a). Only three in ten workers in the UKWL sample felt that they had good prospects for career advancement. Opportunities to advance in their careers also varied by type of employment with workers on permanent contracts reporting better opportunities than those employed on more precarious contracts (temporary, zero-hours and short-hours) (CIPD, 2019a).

Progression opportunities include the Site Supervisory Safety Training Scheme, the Site Managers Safety Training Scheme, and a VQ level 4 in construction site management, but union officers suggested that these options were "very few and far between", noting that "there's some examples where HNCs or HNDs are part of the apprenticeship programme…so within the public sector, the local authorities or the ALEOs, their practices tend to be better".

Respondents in our survey were asked whether they agree or disagree with the statement *"I have opportunities for progression with my current employer"* and the data shows a mixed response (see Chart 38 below). Just over a third (34%) agreed or strongly agreed that they have progression opportunities with their current employer. A similar response (36%) disagreed or strongly disagreed that they had opportunities for progression. By employment type, 36% of directly employed and 28% of those in non-standard work either agreed or strongly agreed that they had opportunities for progression.

Chart 38: Opportunities for progression (n=556)



Some of our survey respondents made particular reference to concerns over progression in their written comments:

> *"My company won't pay for training for me to move up the ladder into management role and that they would only give someone that type of job with management experience. I'm a local authority worker. I work for east Renfrewshire council in Scotland"*

> *"I work for a local council and the only way to progress is by being a freemason, a relation or friend of a manager"*

4.3 Fulfilling work?

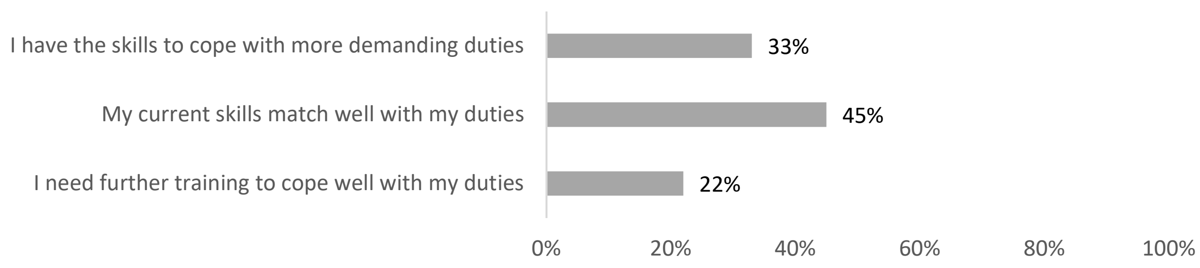
Fulfilment at work includes the opportunity to use existing skills, the scope to be appropriately challenged, the chance to access training to maintain skills and learn new things and opportunities for personal growth and for career development (FWF, 2016).

4.3.1 Skills gaps and skills utilisation

Work provides workers with an opportunity to use their skills (FWF, 2016). The relative match between the skills an individual possesses and their job is an important feature of job quality. In the UKWL survey, half of UK workers believe the skills they have are not well matched to their job, 37% being over-skilled and 12% being under-skilled (CIPD, 2019a). The UK respondents to the 2015 EWCS reported that 33% have the skills to cope with more demanding duties, 58% reported that their current skills match well with their duties and that only 9% perceived that they needed further training to cope well with their duties (Eurofound, 2017).

Our survey respondents were asked which of the following statements would best describe their skills for their job (see Chart 39 below). More than half believed that their current skills do not match well with their duties with a third (33%) stating that they have skills to cope with more demanding duties in their job and just over a fifth (22%) felt that they needed more training to cope well with their duties.

Chart 39: Your skills for your job (n=551)



The findings were relatively similar between the different types of employment although slightly more directly employed workers felt that they needed further training to cope well with their duties and slightly more respondents in non-standard work suggested that they had the skills to cope with more demanding duties (see Table 8 below).

Table 8: Skills by type of employment

	Directly employed	Non-standard employment/work
I have the skills to cope with more demanding duties	21%	28%
My current skills match well with my duties	45%	43%
I need further training to cope well with my duties	34%	28%

Nearly half (47%) of our survey respondents when asked about changes over time agreed or strongly agreed that work now requires higher skills.

Opportunities for personal growth, and/or career advancement are key to fulfilment at work, yet CIPD research reports that 28% of UK workers are dissatisfied or very dissatisfied with the level of training and career development they are offered (FWF, 2016). Research also suggests there may be reluctance from individuals within the construction industry to progress in an organisation due to concerns over additional responsibilities or shifting away from working on 'the tools' as well as an apprehension surrounding managerial skills requirements, such as administrative skills or literacy and numeracy skills (IFF Research, 2013).

Career progression is often underpinned by formalised systems of performance and development support. In the 2012 SES, 78% of respondents reported that they had had a formal performance appraisal in the preceding 12 months. The majority (69%) of our survey respondents reported that they had not had a formal performance appraisal at work in the previous 12 months, comprising 68% of those directly employed and 75% of workers in non-standard work.

Our survey respondents also provided some comments about skill development in the industry:

> *"As an experienced Supervisor, I and many other good, experienced Supervisors feel the skills are leaving the trade and standards are dropping rapidly every year. I and many other Colleagues who genuinely care about the jobs we do feel that. The senior management team do not care about employees' progression /welfare/wages and alter terms and conditions depending on contract /profitability. They do not invest in training and invest in their employees. I used to feel recognised for my experience and skills but feel totally expendable with my current employer with no recognition of my work ethic/loyalty/caring in what I do"*

> *"Far too many companies are trying to use cheap labour instead of paying for qualified staff. Electrical 'mates' are taking over. They are no more than labourers but companies expect to complete a job with only 2 electricians, 5 'mates' and 5 apprentices. The ratio is back to front and they are de-skilling the trade"*

> *"There are far too many apprentices and mates who through no fault of their own [do not] get the proper on the job training due to lack of time to train them on site. A serious lack of quality tradesmen and boys qualifying as tradesmen have nowhere near the knowledge or skills to lead the future of the trade, I dread to think what the future holds unless we invest in our people and provide the necessary skills"*

4.4 Respect at work?

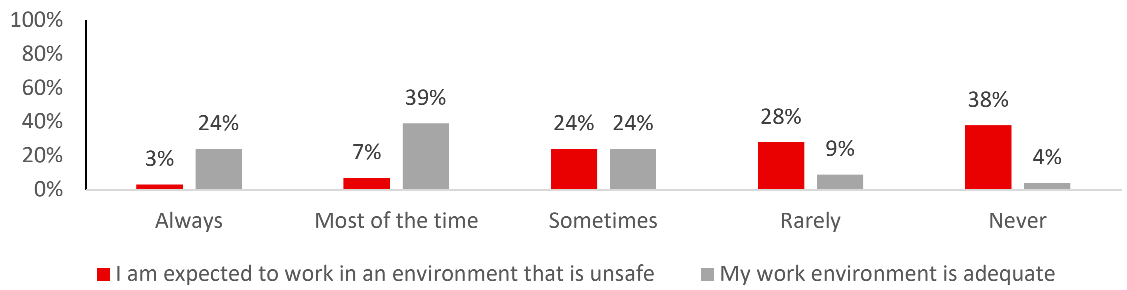
The Fair Work Framework emphasises respect for the health, safety and well-being of all; respect for family life and work-life balance; and respect for workers' contribution, all of which support the development of trusting relationships.

4.4.1 Work environment and health and safety

The health and well-being of the workforce has become increasingly important to job quality (CIPD, 2019b). Union officers pointed to a range of features of the industry that might impact negatively on well-being, including physical risks to health, every day bullying and harassment, poor workplace environments, including poor site sanitation, and risks from low quality and often unregulated accommodation when working away from home.

In our survey, nearly two thirds (63%) of respondents reported that their work environment is adequate most or all of the time, with similar responses by employment type – directly employed (64%) and those in non-standard work (61%). There were also positive responses around perceptions that respondents are not expected to work in an environment that is unsafe – only 10% reported that most of the time or always they were expected to work in an environment that is unsafe. It is important to note, however, that nearly a quarter reported that they are sometimes being asked to work in an unsafe environment, which is a worryingly high figure given that the construction industry has the highest level of workplace fatalities of any industry in Great Britain[3] and a non-fatal accident rate significantly higher than the all industry rate[4].

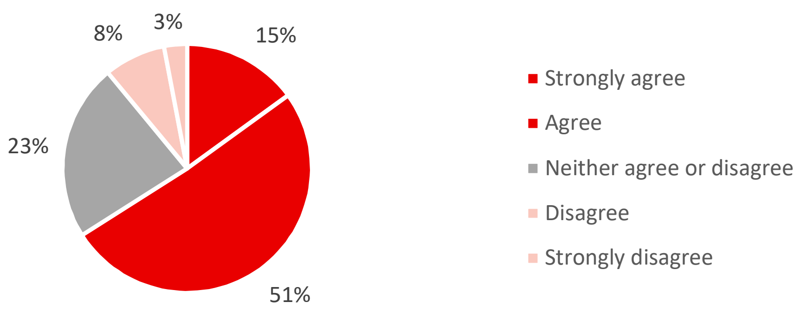
Chart 40: Work environment (n=485)



Changes over time suggests that the working environment has become safer with two-thirds of our survey respondents either agreeing or strongly agreeing that this is the case – slightly more for direct employed (67%) compared to respondents in non-standard work (63%).

Chart 41: The working environment has become safer (n=461)

[3] HSE (2019) Workplace fatal injuries in Great Britain, 2019. Available at: https://www.hse.gov.uk/statistics/pdf/fatalinjuries.pdf
[4] HSE (2019) Construction statistics in Great Britain, 2019. Available at: https://www.hse.gov.uk/statistics/industry/construction.pdf



In the additional comments in our survey, respondents indicated mixed responses regarding how the work environment had changed:

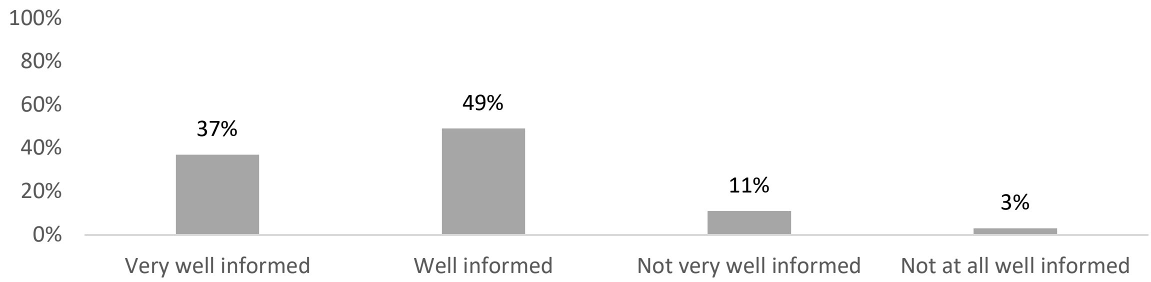
> *"In my 30 years in construction I have seen lots of changes, mostly positive especially regarding health and safety"*

> *"The work environment has not improved much since I was a young tradesman. Health and safety practices have improved sometimes so much that it can hinder safe practice with people coming into the industry highly trained but with no experience or common sense. More qualifications are required but it is normally not the best qualified who is best for the job. It used to be after a week's trial you would either be employed or sacked now it is mostly unqualified people hiring and as long as they get paid these not well experienced people get the job"*

> *"With regards to safety it had greatly improved over 20 years but the last couple of years I think it is going backwards again"*

In the 2015 EWCS, 95% of UK respondents reported that they are very well or well informed about the health and safety risks related to their job (Eurofound, 2017). Our survey findings report slightly lower figures although the majority (86%) reported that they were either very well or well informed (see Chart 42).

Chart 42: Regarding the health and safety risks you face in your job, how well informed are you? (n=510)



Notwithstanding these survey results, a number of written comments highlighted potentially serious health and safety challenges:

"Health and Safety is more about paperwork and not task on site"

"So called safety is more about finger pointing with all the paper work you have to sign before you start work"

"I do feel the constant changes on the workforce railway does not help with creating a safer rail industry & workers wellbeing '& brings uncertainty with threats of redundancy as part of accepting a yearly pay increase. We have incidents in the rail industry with the use of contractors on 0 hrs contract is no good where the drive to improve safety & the intention to break up the railways can only have an impact on safety"

"The union rep gets nothing but picked on when he pulls up any of the management about health and safety issues. There is a health and safety policy in place which goes right out the door when it suits the management team"

"Work practices in construction are bad. They are all for health and safety when it suits them but when the job needs pushed on it's just a case of get it done and they turn a blind eye to it all"

"I am a plumber and now discovering that solder flux glue are extremely hazardous to your health as well as asbestos why is plumbers union not notifying us as well as asbestos as company's they will not notify us for fear of claim"

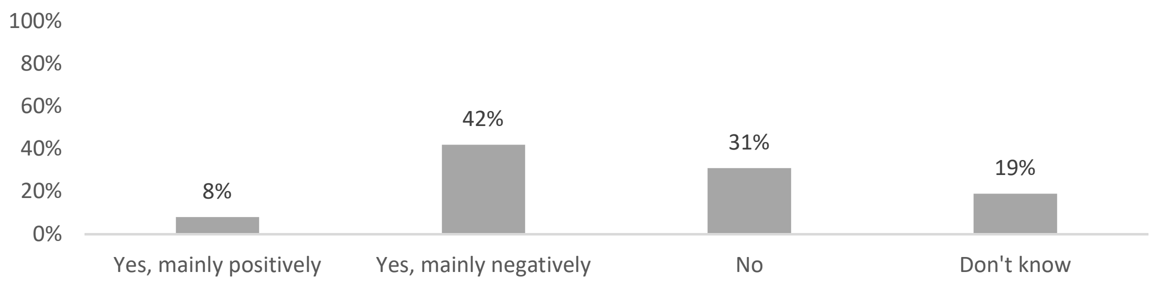
"Pregnancy is a very big issue in construction trade unions don't help with this situation"

4.4.2 Impact on mental and physical health

Over the past decade, increasing attention has been paid to wellbeing – going beyond physical health and safety to include psychosocial factors at work (Eurofound, 2017). The UK findings from the 2015 EWCS reported that just over fifth (21%) of respondents indicated that their job has a negative impact on their health.

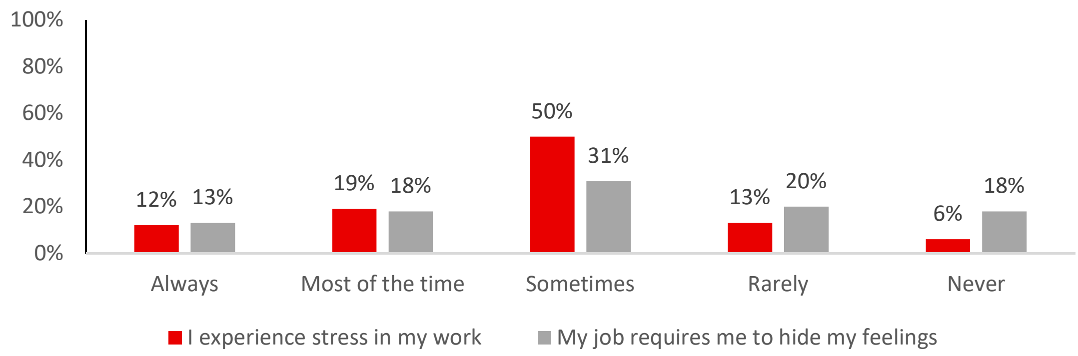
In our survey a large minority (42%) indicated that their job has a negative impact on their health with nearly a fifth (19%) not knowing whether it does or not. The findings are comparable between directly employed (42%) and those in non-standard work (45%).

Chart 43: Does your work affect your health? (n=510)



A large minority (38%) reported that their job requires them to hide their feelings most or all of the time - directly employed (32%) and those in non-standard work (24%). Just under a third (31%) reported that they experience stress in their work most or all of the time and a further 50% stated that they sometimes experience stress (see Chart 44 below). Findings were similar across employment type - both 31%.

Chart 44: Stress and emotions (n=484)



Some respondents highlighted that pressures in the industry were increasing stress among workers, and that there was little support in dealing with this, either from businesses or peers:

> *"Although mental health issues are becoming recognised there is no real change in attitude amongst peers"*
>
> *"More and more people are feeling stressed and anxious in the workplace due to high work demands. More work – less resources"*
>
> *"No support mechanism for stress and anxiety within the workplace"*

Over the last two decades there has been a decline in the levels of self-reported workplace injury and sickness absence. In the UKWL survey the most commonly reported physical health problems include musculoskeletal conditions followed by mental health problems such as anxiety and depression. These conditions may or may not have led to workers taking time off work. In the previous 12 months, two in five workers reported experiencing some form of work-related health condition (CIPD, 2019b).

When asked about the impact of work on their health and wellbeing, nearly half (48%) of our survey respondents reported having experienced an accident or injury at work that was caused by their job, higher for those in non-standard work (55%) compared to those directly employed (47%). Just over a third (35%) reported that they had been absent from work due to their health in the previous 12 months – slightly more among directly employed (36%) compared to those in non-standard work (29%). Survey respondents were asked to report their reason for absence in the previous 12 months (see Table 9 below). The majority (32%) experienced minor illnesses followed by musculoskeletal conditions (22%). Stress and mental health issues were experienced by 13% but when analysing this by employment type, 15% of directly employed had been absent due to stress and mental health compared to 5% of those in non-standard work reporting absence from work due to stress and none absent for mental health reasons. By definition, this latter group will have more limited access to sick pay, which may explain in part the differences in findings. The reasons for absence across all respondents are comparable with the CIPD figures with the top three causes being minor illness, musculoskeletal and stress (CIPD, 2019b).

Table 9: Reasons for absence

Health condition	%
Minor illness	32%
Musculoskeletal injuries	22%
Stress	7%
Mental health	6%
Recurring medical conditions	5%
Acute medical conditions	4%
Work/non-work related injuries and accidents	3%
No reason given	11%
Other	10%

Some respondents highlighted a lack of support from their employers in relation to health and well-being:

> *"Had 2 back operations some 6 years ago which has affected my mobility quite a bit. Feel more could have been done by my employer to help me with regards my workload and how I now have to approach work and work situations"*

> *"Have had 4 operation, 2 on each arm, and I still have to use machinery that hurts my arms"*

> *"The fact that if you have an accident at work, that's not your fault, and are not paid for any absence is a disgrace. Companies should be compelled to pay an employee if they have an accident which results in them losing money"*

> *"Not enough help within companies to help with work-related stress when I was off work it was like hitting a wall"*

> *"Long term health/disability issues are not addressed and provisions are not made for peeps who have developed these during their employment with the management more likely to make things difficult so the individual will leave thinking it's their fault"*

4.4.3 Treatment at work: bullying, harassment and discrimination

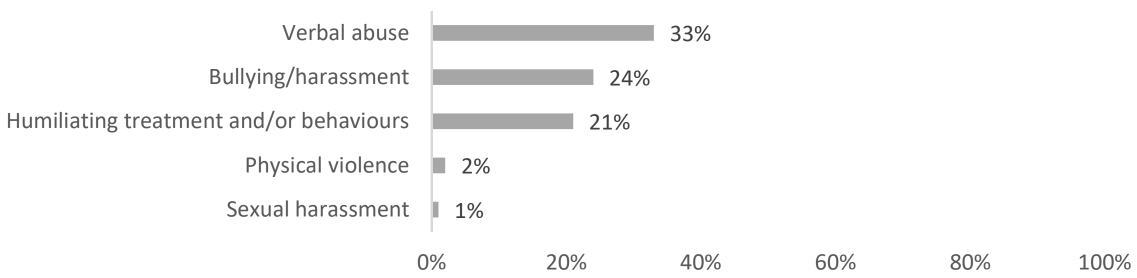
Respect at work can not only protect workers from workplace related illness and injury but can also create an environment free from bullying and harassment (FWF, 2016). The UKWL survey reported that nearly a third of their respondents had experienced at least one form of bullying or harassment at work in the previous 12 months. The most common forms of conflict encountered are being undermined or humiliated (14%), shouting or heated arguments (13%), and verbal abuse or insult

(11%) (CIPD, 2019a). Data from the EWCS shows divergent trends between 2005 and 2015: physical violence declined but other forms of violence and harassment such as threats, intimidation, bullying and unwanted sexual advances remained stable over time (Eurofound, 2015).

The union officers explained that construction workers are fearful of raising issues relating to treatment at work as it may affect their employment prospects as one union officer explained, “most guys tend not to come forward…it’s a culture of fear, that’s what they operate in”.

A third of respondents (33%) in our survey indicated that they had been subjected to verbal abuse at work in the previous 12 months (see Chart 45 below). Nearly a quarter (24%) reported that they had been bullied or harassed at work and just over a fifth (21%) said that they had experienced humiliating treatment and/or behaviours whilst at work. Benchmarking this against the 2010 EWCS responses from the UK, the figures from our survey are much higher (note, however, the different time measurements of the previous month and previous 12 months). Looking back at the previous month, 15% of EWCS respondents said they had been subjected to verbal abuse compared to 33% in our survey. Again looking back at the previous month, 8% reported experiencing threats and humiliating behaviour compared to 21% from our survey. Similar results were found in relation to physical violence (2%) (Eurofound, 2015).

Chart 45: During the course of your work over the last 12 months have you been subjected to any of the following?



Respondents who commented on this had mixed experiences in terms of employer support:

> *“I have had 2 incidences in my 6 years in the construction industry of dealing with sexual harassment. Both times were from contractors who felt it was acceptable to make disgusting remarks and shout sexist abuse at me. Management at my work acted on this immediately and contractors were removed from site as they do not tolerate it”*

> *“I feel there is an attitude of "if you don’t like it you know what you can do". The big companies just bully the tradesmen required to make them obscene profits”*

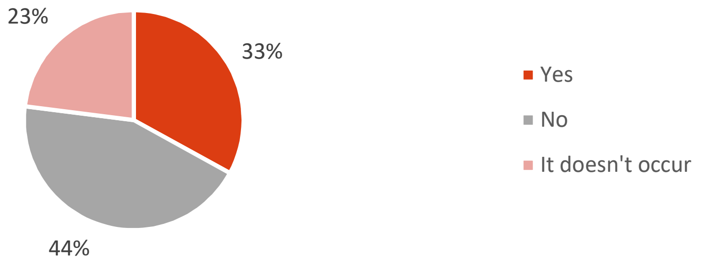
In the UKWL survey, over a quarter of respondents that had reported workplace conflict in the previous 12 months said they were likely to quit their job in the next year – almost double the number who experienced no conflict (CIPD, 2019a). Table 10 below shows that from our survey results more people who had experienced negative treatment at work were either extremely likely or likely to leave their current employer voluntarily in the following 12 months compared to those who had not experienced negative treatment. For example, 10 respondents had experienced physical violence at work – 90% of which reported that they were extremely likely or likely to voluntarily leave their current employer in the following 12 months.

Table 10: Intention to leave current employer and the experience of negative treatment at work

	Experienced negative treatment	Not experienced negative treatment
Verbal abuse	25% (Base n=159)	15% (Base n=327)
Bullying/harassment	29% (Base n=114)	14% (Base n=369)
Humiliating treatment and/or behaviours	30% (Base n=101)	15% (Base n=375)
Physical violence	90% (Base n=10)	15% (Base n=453)
Sexual harassment	40% (Base n=5)	17% (Base n=375)

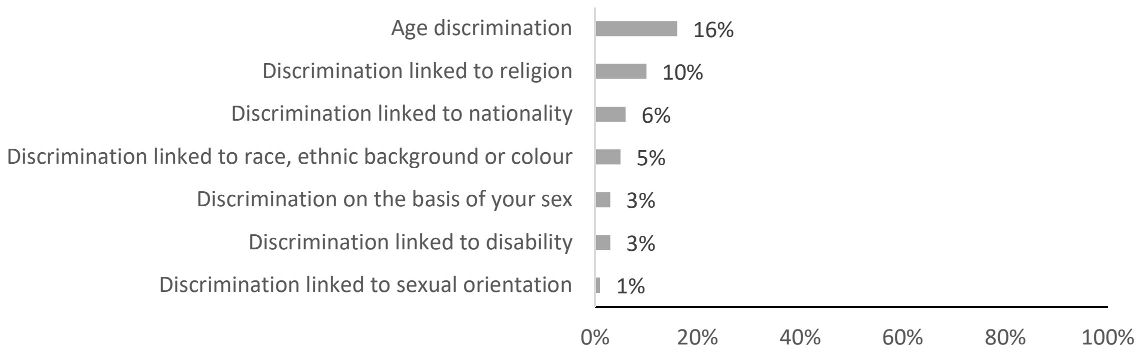
For those respondents to our survey that were aware of bullying and harassment within their workplace, a large minority (44%) stated that their employer did not deal with it effectively, comprising 35% of those directly employed and 25% of those in non-standard work.

Chart 46: If bullying/harassment occurs, does your employer deal with it effectively? (n=319)



In the UKWL survey nearly 25 per cent of workers feel that they do not work in inclusive environment, agreeing with a statement that their colleagues ‘sometimes reject others for being different’ (CIPD, 2019a). Also in the UK, 5% of the workforce are subjected to discrimination at work (Eurofound, 2015). Where our survey respondents felt that they had been discriminated at work this mostly related to age discrimination (16%) or discrimination linked to their religion (10%).

Chart 47: In your job do you feel you have been subjected to any of the following?



While the survey did not ask about this specifically, one respondent highlighted his experience of what he perceived as discrimination as an ex-offender:

> *"I feel I was discriminated against due to my criminal record. I worked for a company for over a year with no issues whatsoever. But they found out I had committed an offence 5 years ago and they had to terminate my employment immediately with no notice period or hearing"*

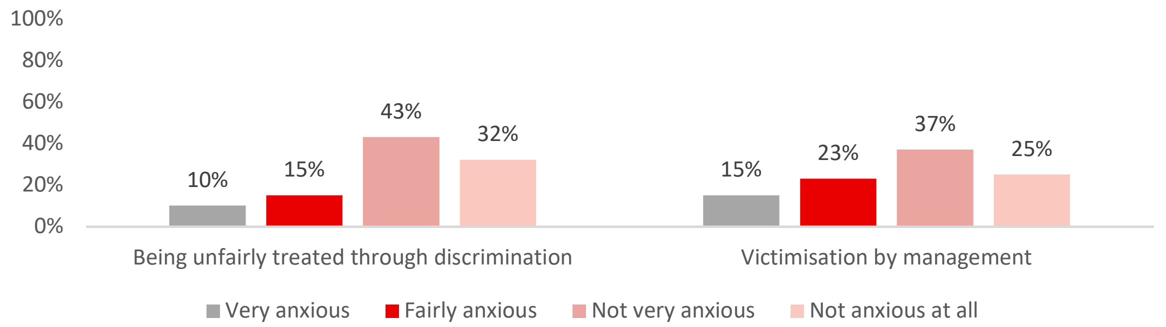
When analysing this by employment type there are differences in that non-standard workers were more likely to report being subject to discrimination than directly employed workers (see Table 11).

Table 11: Discrimination by employment type

	Directly employed	Non-standard employment/work
Age discrimination	14%	21%
Discrimination linked to religion	9%	16%
Discrimination linked to nationality	6%	9%
Discrimination linked to race, ethnic background or colour	4%	8%

In our survey, a quarter were either fairly or very anxious about being unfairly treated through discrimination – higher for those directly employed (25%) compared to those in non-standard work (19%). A higher number (38%) were fairly or very anxious about being victimised by management again more for directly employed (39%) compared to non-standard workers (32%).

Chart 48: How anxious are you about facing any of the following situations at work? (n=498)

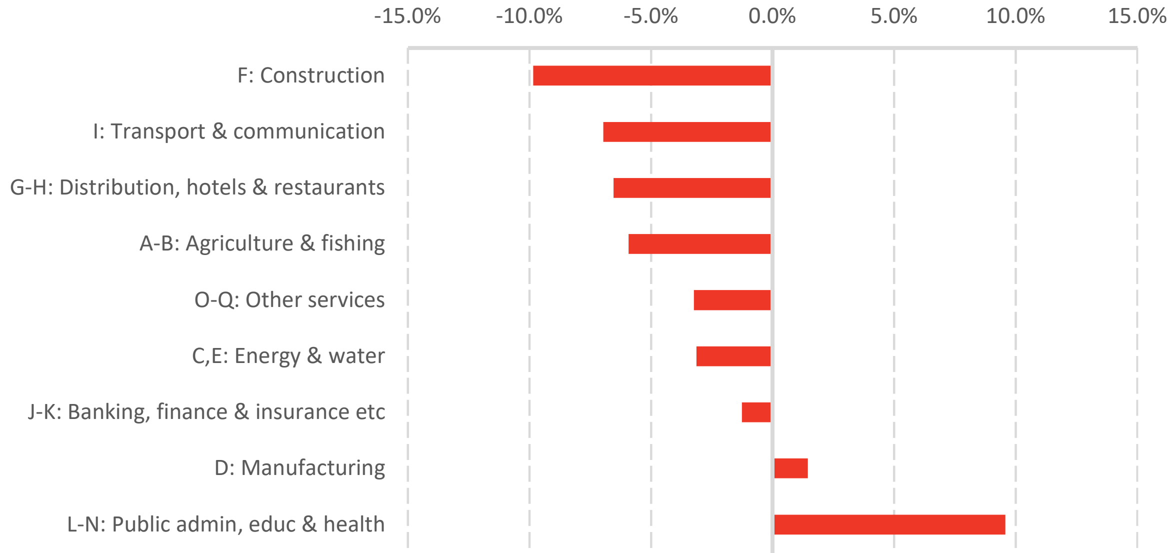


The UK findings from the 2015 EWCS survey reported that 85% felt that they are treated fairly at their workplace most of the time or always (Eurofound, 2017). The majority (71%) of respondents in our survey indicated that they are treated fairly at their workplace most of all of the time, with similar responses by those directly employed (71%) and in non-standard work (68%).

4.4.4 *Work/life balance*

Respect for personal and family life and to debates on work-life balance is often viewed in relation to the availability of flexible hours, home working or part-time work (FWF, 2016). Chart 49 below shows variations around the all industry average (22%) with the construction industry not performing well in relation to flexible working – nearly 10% below the industry average.

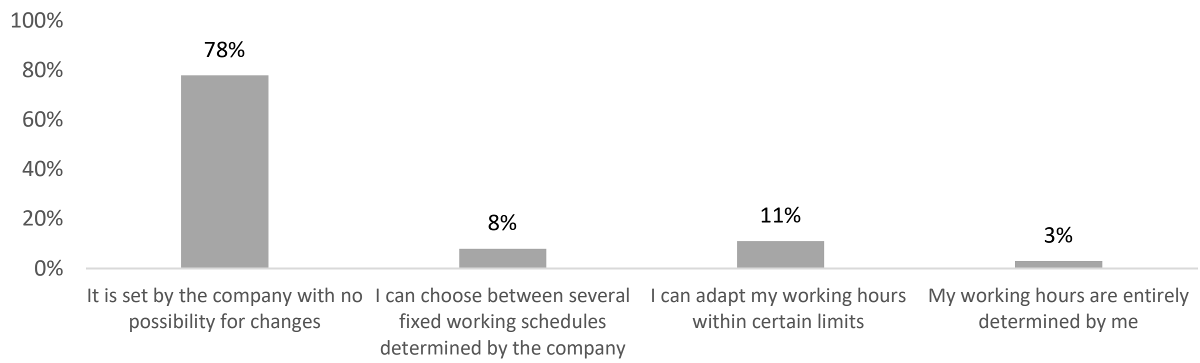
Chart 49: Percentage of employees who have access to flexible working, 2017



ONS Annual Population Survey

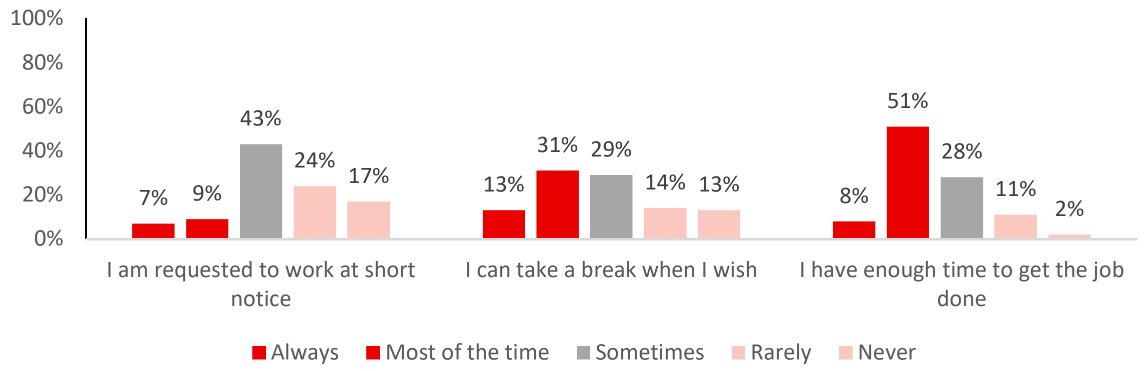
The UK responses to the 2015 EWCS found that 52% had their working time set by the company with no possibility for changes and 24% of workers reporting that they can adapt their working hours within certain limits 14% can determine their own working hours (Eurofound, 2017). The majority (78%) of respondents in our survey reported that their company set their working time with no possibility to choose their working pattern, showing little adoption of flexible working practices

Chart 50: How is your working time set? (n=555)



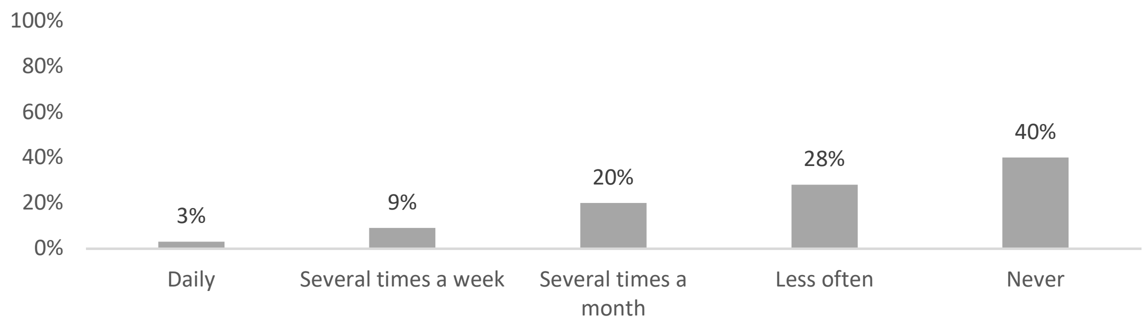
More positive results from our survey suggests that 59% of workers have enough time to get the job done most of the time or always – 59% directly employed and 56% for those in non-standard work. Again a large minority (44%) indicated that they were able to take a break when they wished – higher for workers directly employed (47%) compared to 31% of non-standard workers (see Chart 51 below).

Chart 51: Working pattern and work/life balance



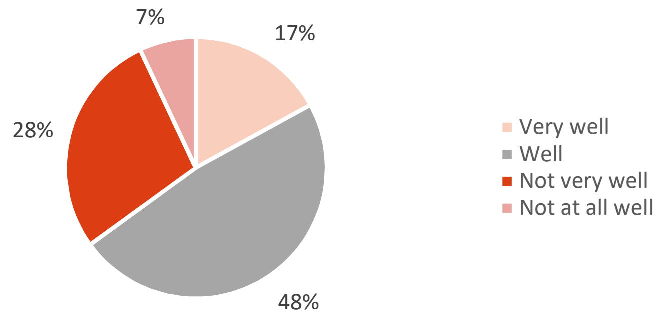
Nearly a third (32%) of our respondents reported that they had worked in their free time either several times a month, several times a week or on a daily basis – 30% for those directly employed and slightly more (39%) for those in non-standard employment. These figures are comparable to the UK responses in the 2015 EWCS (Eurofound, 2017).

Chart 52: Over the last 12 months, how often have you worked in your free time to meet work demands? (n=484)



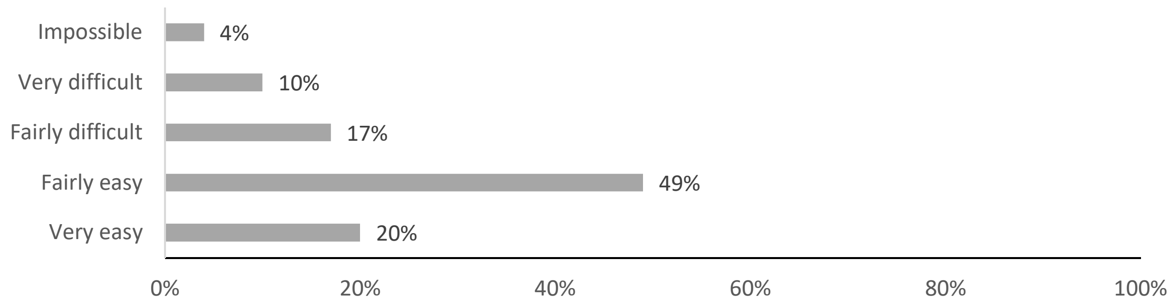
In the UKWL survey, just over a quarter of workers reported that their work has an impact on their personal commitments (CIPD, 2019a). The figures are slightly higher in the 2015 EWCS for UK respondents, with 82% indicating that their working hours fit well or very well with their family or social commitments (Eurofound, 2017). Nearly two thirds (65%) of respondents in our survey (see Chart 53 below) reported that their working hours fit well or very well with their family or social commitments outside of work, with 66% of directly employed reporting this compared to 58% of those in non-standard work. Just over a third disagreed and that their working hours did not fit well or very well with their commitments outside of work as one respondent agreed by commenting, *"I think the construction industry needs to become more flexible in the working hours to accommodate workers family lives."*

Chart 53: *In general, how do your working hours fit in with your family or social commitments outside of work? (n=485)*



The UK findings from the 2015 EWCS reported that the majority (76%) found it is easy to take time off to deal with personal or family matters (Eurofound, 2017). In our survey, although it was fairly or very easy (69%) for respondents to take time off work to deal with personal matters (directly employed – 70% and not directly employed – 65%), nearly a third (31%) said that this was either fairly or very difficult or even impossible.

Chart 54: *If you need to take an hour or two off work during working hours to take care of personal or family matters, is arranging this…? (n=484)*



4.5 Effective voice at work?

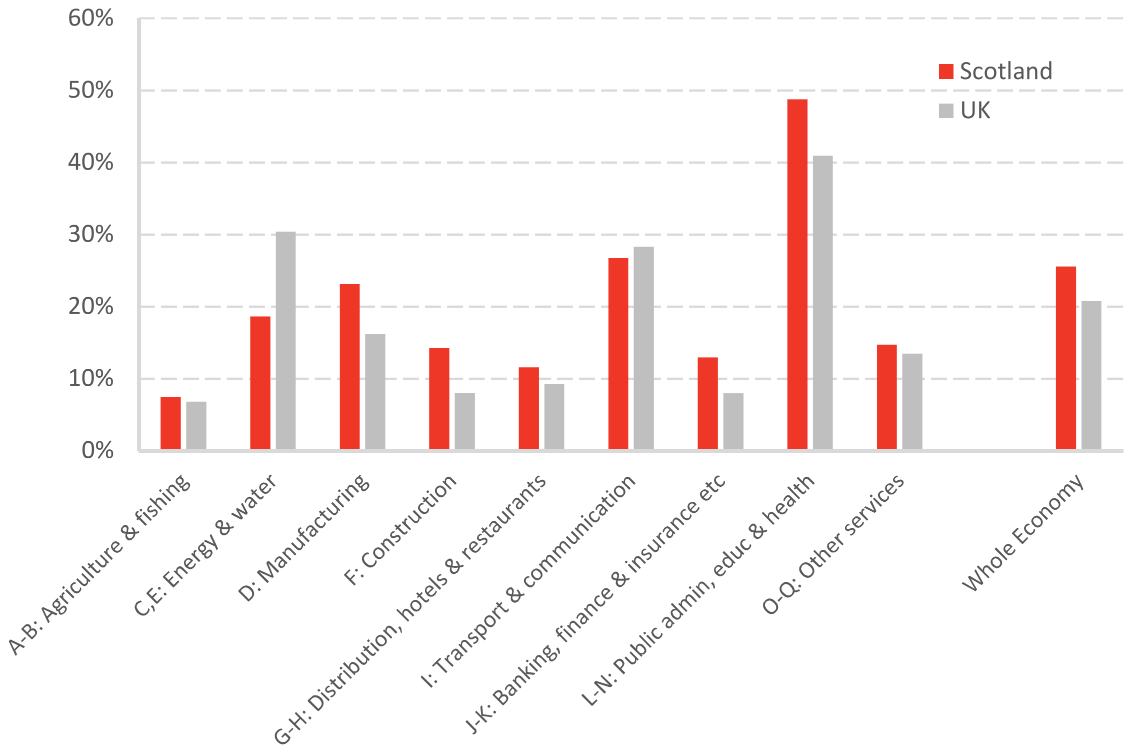
Effective voice is crucial to fair work and can benefit both workers and employers. Voice is effective where issues can be raised and dealt with constructively, which in turn underpins respectful reciprocal relationships. In Scotland and the UK, trade unions are the primary channel of collective worker voice. According to an international measure for 25 comparator countries, the UK levels of trade union density are slightly above average (CIPD, 2019a). Rates of union membership in Scotland are generally higher than the UK as a whole.

Concerns have been raised that union authority in the UK construction industry has been undermined by rising levels of self-employment (Toner, 2008), and there are longstanding concerns about anti-union blacklisting in the industry. There have been calls from social partners for the industry to have a properly regulated workforce (Clarke et al., 2007).

4.4.1 Trades union membership

The Construction industry has one of the lowest levels of union membership across the economy.

Chart 55: Union Membership by Sector, Scotland 2017



Source: Labour Force Survey, ONS

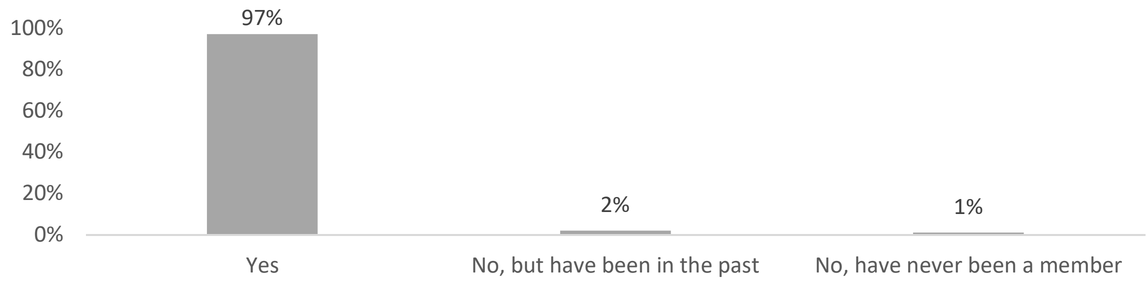
Union officers reported that the decline in union membership and increasing employer power that has driven the rise in self-employment over recent decades had negatively impacted work practices in the industry. As some of them noted:

> *"the employer then brought on all sorts of practices and of course they didn't pay national insurance, didn't pay pension schemes, didn't pay holiday pay, didn't pay sick pay. It was an employer's dream"*

> *"the introduction of self-employment, sold to the worker as a tax benefit but in reality has forced construction workers to set up a limited company in order to be employed through an agency. The agency then charge workers, anything from £17 up to £30 a week deducted to get your wages paid into the bank, so not only are you going out there working under a regime that you don't want, they are also getting a deduction to get your wages paid into the bank"*

Due to the targeted sample in our survey, nearly all respondents (97%) were a member of a trade union or staff association – 98% directly employed and 93% not directly employed. However, some respondents were clear that in construction *"being a member of a trade union is not actively encouraged."*

Chart 56: Are you a member of a trade union or staff association? (n=483)



4.4.2 Collective agreements

A challenge for the industry is that even if a main contractor complies with the collective agreements the nature of the industry to subcontract out business can result in these firms evading the collective agreements (Cremers, 2009). There are a number of national agreements operating in the construction industry, and union officers indicated that these could be important in reducing exploitative practices. However, main contractors (even in the public sector) are not, according to these officers, insisting on adherence to these agreements:

> *"it's up to them [the contractor], they will not tell their sub-contractors who they employ to build their various parts of the plant, how to pay them"*

> *"we had the protection in this agreement to stop the exploitation but without that collective agreement being on any of these projects, these contractors are allowed to run wild … they just do what they want, when they want"*

Union officers indicated support for disputes procedures, involving ACAS, being added into national agreements across the country so that “if there’s a breakdown in communication with the main contractor on the job, along with the trade unions, that ACAS are involved and the government notified”, but also acknowledged that “collectiveness within a construction site is difficult”.

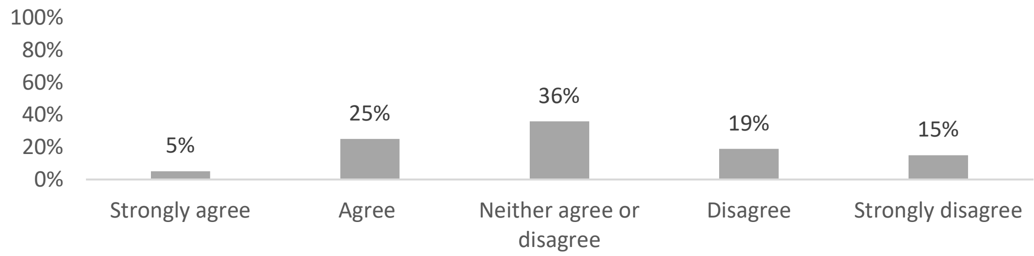
In our survey, a large majority (82%) of respondents stated that there is a collective agreement where they are employed that covers pay and terms & conditions – a lower figure was reported by non-standard workers (57%) compared to directly employed workers (86%). Respondents were not always convinced, however, that these agreements were being adhered to:

> *“I work for an organisation that has a partnership agreement with recognised Trade Unions. At best it pays lip service to the agreement at worst it totally disregards the agreement. If I return to work I'll be campaigning for the Unions to withdraw from the partnership agreement”*

> *“Union recognition is very difficult when you are moving around temporary sites with varied client expectations. If you raise too much issues you are likely to be moved to another site with a different client”*

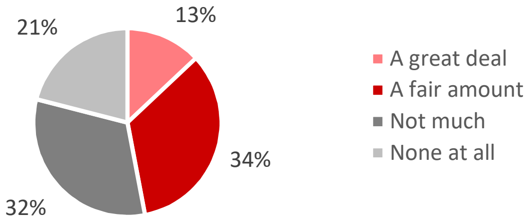
Respondents and officers noted that union organising in construction was challenging, with some employers limiting access to sites and others engaged in blacklisting. Just over a third (34%) of respondents to our survey disagreed that their employer is interested in constructive dialogue with trade unions (see Chart 57 below). Directly employed workers reported a more positive response with 33% agreeing that their employer is interested in constructive dialogue with trade unions compared to 14% of those respondents in non-standard work.

Chart 57: My employer is interested in constructive dialogue with trade unions (n=483)



When asked about how much influence the trade unions had in the workplace over the way work is organised, 11% of respondents in our survey reported that they did not know, another 13% indicated there was no trade union presence in their workplace so were unable to comment. Of those that were able to comment (n=364), just over half (53%) reported that trade unions in their workplace either had none or not much influence over the way work is organised compared to 47% who reported that trade unions had a fair amount or great deal of influence over the way work is organised – a higher figure than that which was reported in the SES 2012 figures (35%). When looking at this by employment type – 44% of those directly employed perceived that the union had none or not much influence compared to 70% of non-standard workers.

Chart 58: How much influence do the trade unions in your workplace have over the way work is organised? (n=483)



Respondents who gave written comments were mixed in their views of trade union effectiveness in influencing employers:

> *"The current SJIB rate for electricians is well below what it should be and Unite should be working to have this rate increased. The electrical contracting industry is being ruined by "electricians mates "and so called "improvers "who are de-skilling our industry and putting qualified electricians out of work. Labour agencies are also driving our rate down and completely destroying our industry. Unite should be doing a lot more than they are to address the situation with both of my previous points"*

> *"I'm working in the rail industry. The unions don't come anywhere near & so they can't influence anything. RMT"*

> *The TU continues to punch above its weight in construction in relation to the collective agreements and the influence those collective agreements have for workers who are not members of a TU. There is a lack of understanding of the modern construction industry methods and lack of commitment to engage positively to assist in the success of the industry on behalf of the TU. It is not all about protest and resistance to change. That's easy. Embracing change while remaining relevant takes courage through leadership. There is little evidence of this from TU's in construction"*

> *"We need to bring back shop stewards"*

The majority (83%) of respondents to our survey reported that they had not faced discrimination from their employer for being a member of a trade union. By employment type, more workers (23%) who were not directly employed reported that they had faced discrimination from their employer for being a member of a trade union compared to 13% of workers directly employed (see Chart 59 below). Officers and respondents indicated that such actions were more likely for workers who were not directly employed: *"Agency workers have no points of organisation and any attempts to do so are met with hostility from management and being taken off jobs at request of management."*

Chart 59: Have you ever faced discrimination from your employer for being a member of a trade union? (n=387)

Managerial openness to voice

From the UKWL survey evidence there were mixed perceptions on how well managers keep employees informed about what is happening within their organisation – 42% reported that their managers were good at this whereas approximately a third reporting their managers as being poor at informing them (CIPD, 2019a). In the 2012 SES, responses in relation to whether management arrange meetings to inform employees what is happening in the organisation were generally positive (76%). In our survey, voice was more prevalent in relation to issues of health and safety (74%) followed by staff welfare and the workplace environment (55%) (Chart 60 below). For some respondents, however, channels of communication were not the same as influence: *"Re meetings with management - they tell us what'll happen & we have to agree. No asking us first, even though were the ones at the coal-face."*

Chart 60: At your main workplace, does management hold meetings where you can express your views about what is happening in the organisation in relation to the following:

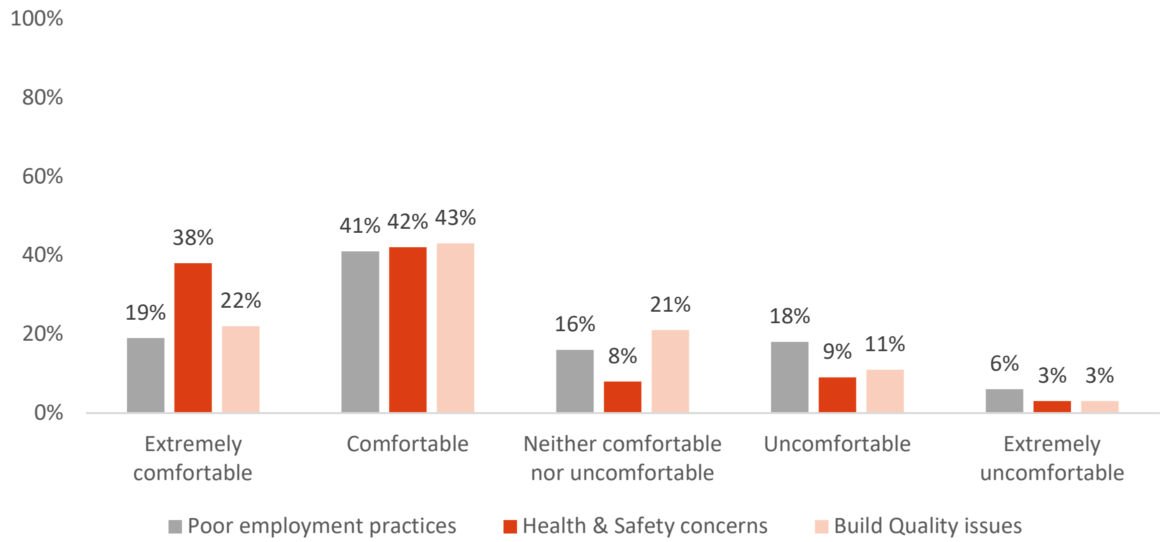
By employment type, employee voice to express their views is more apparent for those directly employed compared to non-standard workers.

Table 12: Voice to express views by employment type

	Directly employed	Non-standard employment/work
Health and safety issues	76%	66%
Staff welfare and the workplace environment	57%	45%
Planned changes in work practices	52%	42%
Improvements to work processes, products or services	52%	39%
Training plans	48%	31%

Respondents in our survey were mostly comfortable or extremely comfortable in raising issues around poor employment practices (60%), health and safety concerns (80%) and build quality issues (65%). Nearly a quarter (24%) though were uncomfortable raising issues relating to poor employment practices at their workplace. More directly employed workers were comfortable in raising issues around poor employment practices – 62% compared to 54% of non-standard workers.

Chart 61: How comfortable would you be raising the following issues at work?



For some respondents, unease at raising problems or issues was a consequence of a significant power imbalance in the construction industry, poor management and the use of fear to deter complaints:

> *"Employers are exploiting workers because there is a very weak and disjointed approach to workers' rights and expectations, the only concern of management is to drive down costs at any price, many of my colleagues and myself feel like second class citizens, the public face they portray is not what is really happening and there really is no were to turn many workers feel"*

> *"Employment need to be regulated. They are parasites living off the backs of working people"*

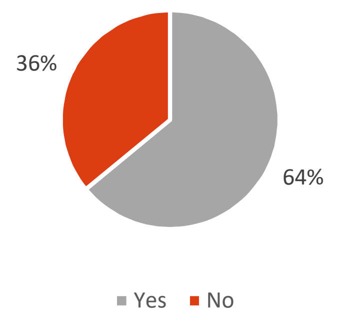
"My employers answer to any issues you may have regarding work situations or problems is if you don't like it you know where the doors is"

"Things need to change as most managers don't want to know but at same time several workers are just doing what there told so they don't rock the boat with getting overtime"

Nearly two thirds of respondents (64%) said that they have considered leaving the industry – slightly more for non-standard workers (67%) compared to those directly employed (63%) (Chart 62 below). As one respondent explained, this was attributed to poor treatment and poor terms and conditions:

"Construction workers are treated like Second Class Citizens, wages are so poor they have dropped so much over the years it's not attractive to anyone now, would not encourage anyone to come into it"

Chart 62: Have you ever considered leaving the industry? (n=463)



7. Conclusions and implications

7.1 Summary of key findings

There are a number of fair work challenges in the construction industry in Scotland:

- Overall, security at work is limited for a significant minority of workers by insecure contracts and self-employment; low pay; income instability and perceived job insecurity alongside concerns over future employability.

- Turning to opportunity, support for skills accreditation and training is variable, and despite evidence of good practices in some parts of the industry and the support of union-led learning, the survey identified evidence of both skills gaps and skills under-utilisation. Limited progression pathways undermine employee fulfilment, and career development support is not widespread. The industry is neither diverse nor flexible, though the latter did not prompt widespread concern among respondents.

- The data identifies significant concerns around the fair work dimension of respect in terms of work environment, accidents or injuries, work related ill health, bullying and harassment and discrimination.

- The ineffectiveness of employee voice – in the opinion of many directly employed workers – constrains the ability to face these challenges and effect improvement.

- There are systematic variations in the experiences of workers who are not directly employed, who fare significantly less well across the fair work dimensions:
  - Contracts: non-standard workers had more contractual variation; shorter tenures; greater exposure to redundancy and dismissal; reported greater perceived and possible job insecurity; and reported greater anxiety about their own job security.
  - Earnings: non-standard workers experienced greater earnings variation; were less likely to be paid on time; were less likely to have access to sufficient hours of work; were less likely to have sick pay or holiday pay; were more likely to feel financially insecure if they became ill; and were less likely to have travel, accommodation and subsistence expenses covered by their employer or contractor.
  - Flexibility: non-standard workers had less flexibility to take a break; were less likely to report positive alignment between work and family life and were more likely to work in their own time.
  - Voice: non-standard workers were less likely to be covered by a collective agreement; less likely to report that employers were interested in constructive dialogue with trade unions; less likely to report having a voice on issues other than health and safety; more likely to report anti-union discrimination; and more likely to have considered leaving the industry.

This is troubling if trends away from direct employment continue.

Overall, the quote below sums up the experience of some construction workers:

> *"Over the years the construction workers have had it hard with price work instead of an hourly rate, the cost of tools, cheap labour, no paid holidays in some construction firms that you work for. And paying an umbrella company to do your tax, no job security, working in all-weather environments and facility and working weekends for more money cause you don't know how long the job is going to last for, it's a hard life and it takes a toll on your body and health later on in years."*

7.2 Implications for stakeholders

7.2.1 Employers

As outlined above, employers in the construction sector are not systematically delivering fair work in Scotland. The key question, however, is the extent to which individual employers have the latitude and inclination to deliver a more consistently fair work experience. The nature of the work itself and the characteristics of the industry influence the options available to construction firms to make different strategic choices that impact on work. Exploring the nature of those constraints and the possibility of changing them is important.

Notwithstanding constraints, however, not all employers in the industry make use of poor work practice, highlighting that alternative and fairer choices are possible. It is therefore important to find evidence of good practice, particularly practice that supports direct employment. As one union officer reported, if "you look at the extension at Heathrow T5, everybody on that job was directly employed…the Olympics was done and an agreement was done with the trade unions…it was the first Olympics that was constructed in the world that didn't have one death in construction". Similarly, individual respondents were able to point to examples of good employment practices:

> *"I have worked for Clark Contracts for over 10 years and it is the best job I have ever had. A really good company to work for. The construction industry has improved immensely since I started as an apprentice 37 years ago."*

While direct employment addresses some of the challenges facing the construction workforce, it does not address them all. Across the workforce, there are significant concerns about a lack of effective voice; employment insecurity; health, safety and well-being; opportunities for training and development and about bullying and harassment. These are issues for employers to address, and also issues that employers in the industry might address collectively – either by sharing and learning from good practice, or from developing good practice together.

7.2.2 Influencing employers

There is a need for better awareness, understanding and insight on the industry and its work practices among key stakeholders, including policy makers, local authorities and public bodies in various regulatory, commissioning and employer roles. There has been much deliberation on the industry, but little has focussed directly on how workers experience it, or how fair work is delivered.

This can only be delivered by enhancing worker voice in the industry. Low levels of union membership make this a particular challenge, leaving workers with few or no avenues of redress or problem solving. Encouraging employers to ensure employee voice is offered, heard and acted upon – by whatever means is genuinely effective – is a key priority.

There is undoubtedly a need for more extensive monitoring of work and employment practices, particularly in contracts supported by public funding. Formally, this is the responsibility of main contractors, but the efficacy of mechanisms to ensure that main contractors meet this responsibility is questionable. There is a potential role for a collaborative and co-created approach to monitoring of practice involving contractors, unions and clients. This is an area in which the Fair Work Convention Inquiry into construction might take a lead. There are other stakeholders who can play an important monitoring role – for example, Skills Development Scotland in relation to the experience and treatment of apprentices.

There are opportunities to better shape industry practice through procurement, though these will require creativity in operating within the regulatory constraints of procurement legislation but using procurement to signal and shape better practice, particularly by upholding collective agreements. The development of a procurement approach reflecting Fair Work First might offer an important testbed in this regard.

There are undoubtedly opportunities for better regulation of some of the more exploitative employment practices in the industry, for example relating to some aspects of agency working and umbrella companies, but such regulation is not within the current powers of the Scottish Parliament. The Scottish Government should, however, use its influence at UK level to shape future employment regulation that may impact on exploitative practices.

7.2.3 Facing the future constructively

The construction industry is important to the Scottish economy. Yet it faces challenges in attracting talent, in part attributable to the characteristics of work and employment in the industry. Our data suggests that direct employment, greater job security, more opportunities for skills development, more respectful treatment at work and greater opportunities for employee voice would enhance the industry's reputation and ability to attract talent, with implications for build quality. Trends in the industry are likely to require attention not simply to replacement demand for labour, but also a higher skills profile for the industry's workforce to face the challenges of building sustainably in line with wider Scottish Government policy priorities. Fairer employment practices will not only support better recruitment and retention, but can harness the potential of the industry's workforce to whatever challenges lie ahead.

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