



# ‘Good work’ and community business

Identifying pathways to good practice during Covid-19 and beyond

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# Contents

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<b>Executive summary</b>	<b>3</b>
<hr/>	
<b>1. Introduction</b>	<b>8</b>
1.1 What is good work and why does it matter?	8
1.2 How to provide good work in community business at a time of crisis	9
1.3 Aims of the study	10
1.4 Methodology	11
<b>2. Dimensions of good work in community businesses</b>	<b>14</b>
<hr/>	
2.1 Meaningful work	17
2.2 Voice, democratic governance and inclusive culture	21
2.3 Contract and job design	26
2.4 Pay and benefits	29
2.5 Skills and development	31
2.6 Flexible working, work-life balance and family-friendly support	33
2.7 Health and wellbeing	38
<b>3. Combining the dimensions and practices of good work</b>	<b>41</b>
<hr/>	
3.1 Maximising the mutually beneficial outcomes	41
3.2 Bundles of practice and reciprocity	41
<b>4. Conclusion and recommendations</b>	<b>42</b>
<hr/>	
4.1 Pathways to good work beyond Covid-19	42
4.2 Recommendations	43
<b>5. References</b>	<b>45</b>
<hr/>	
<b>Appendix: Pathways to Good Work Toolkit</b>	<b>48</b>
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# Executive summary

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This report examines what good work means in challenging times, with a focus on how community businesses are able to provide work which is fair, decent and rewarding within diverse and often challenging operational contexts. The research involved a review and further analysis of existing data sources, in-depth interviews with employees, volunteers and leaders in eight case study community businesses, and two focus groups.

The findings have also informed the development of a 'Pathways to good work' toolkit, available in the Appendix and as a standalone document. This sets out the practical steps that community businesses can take to improve working conditions in their organisation.<sup>1</sup>

## Dimensions of good work

The nature and quality of work in community businesses impacts on staff, volunteers and leaders alike. Our study lends further support to previous research on how the provision of 'good work' can help nurture and retain a skilled and motivated workforce and protect their health and wellbeing. Good work is also shown to be good for business productivity and the delivery of quality services that meet community needs. This report presents a detailed analysis of findings across seven key dimensions relating to the quality of work in community businesses (set out below) and shows how these dimensions can be combined into 'bundles of practice' for effective and mutually beneficial outcomes.

### 1. Meaningful work

This dimension is experienced by staff and volunteers in two main ways: the services provided are *valued and fulfil a social purpose*, and the work itself provides *interest, engagement and stimulation*. By definition, community businesses aim to meet a social need, and most participants saw such purposeful work as being a key element of good work. Doing socially useful work that also provides variety and opportunities for learning can be a powerful motivating factor and source of job satisfaction. However, although important and a distinctive feature of the work offered by community businesses, there is a risk of over-reliance on this as a motivational factor. This can particularly apply in situations where there are perceived shortcomings along other important dimensions of job quality, such as low wages and short-term contracts, which may be characteristic of the sectors involved (e.g. retail, social care) as well as the limited resources and market power of many community businesses.

<sup>1</sup> In addition, the experiences of four of the participating community businesses are provided as individual case studies on the Power to Change website.

## 2. Voice, democratic governance and inclusive culture

Having a voice which is heard and acted upon and being included in organisational decision-making is a further crucial dimension where community businesses often excel compared with many other organisations, whether private or public sector. Democratic ownership and control is a core principle for many community businesses. Analysis of the available survey data (Social Enterprise UK's *State of Social Enterprise* survey 2019) shows that community businesses are significantly more likely to include employees in their decision-making processes compared with other social enterprises. All of the eight case study organisations had adopted legal forms and governance models that enabled ownership and control on behalf of employees and the communities they serve. Most had also adopted specific mechanisms to include staff and volunteers in decision-making processes, which had a positive influence on staff empowerment, motivation and retention.

A positive and supportive organisational culture was another key characteristic found across the case study organisations. Relationships with colleagues and employer were often described as very close-knit and family-like, characterised by open communication and trust. Reciprocity or 'give and take' between staff, managers and leaders was an important feature of this positive culture. As with the 'meaningful work' dimension, this can be an important compensating factor for perceived shortcomings in other work dimensions.

The Covid-19 pandemic and lockdown conditions have clearly had a detrimental but also varied impact across the economy. The experiences of our community business participants show how this has catalysed innovation and new ways of working. However, maintaining contact during the lockdown, with many employees working from home or furloughed, has been a challenge. Difficulties were reported around maintaining a sense of structure and purpose, and mitigating the effects of isolation and distance, particularly for staff used to high levels of day-to-day contact with their delivery teams and customers or clients. Sometimes leaders have struggled to maintain their usual levels of contact and one-to-one support, but there were also good examples of mutual help and of colleagues providing peer-to-peer support which further improved workplace culture and team spirit.

## 3. Contract and job design

Most employees would prefer the security of a permanent contract and regular hours, and the type and quality of the contracts offered is clearly a key dimension of good work. However, many community businesses are resource-constrained and may be reliant on short-term contracts and grants and therefore find it hard to support permanent posts. Being able to demonstrate business growth and having healthy financial reserves can provide the confidence needed to underpin more secure contracts. Where this is not possible, a lack of permanent contracts and regular working hours can be partially compensated for by other benefits of working for a community business. This particularly applies to the meaningful work dimension and elements that include a positive workplace culture and flexible working conditions.

Most of the case study organisations provided at least some permanent contracts, but many staff members were on fixed-term or rolling contracts that were dependent on grant income and would be renewed on condition that follow-on funding was secured. A renewed or extended contract could involve staff being re-deployed between different roles and departments of the organisation, depending on where the new funding was allocated.

We also identified several examples of 'overwork', where people felt pressurised into working too hard, too much or too long. There were also examples of 'underwork', where some staff and volunteers were unable to work the hours they would have liked. Longer periods of (unpaid) overwork can lead to fatigue, stress and reduced motivation, with negative impacts on employees' work-life balance and wellbeing, as well as their productivity. At the other end of the spectrum, the minimum of guaranteed working hours should provide a decent standard of living (see 'Pay and benefits'). None of the participating organisations used zero-hours contracts, although several raised concerns about having to reduce paid work in order to remain financially viable during the Covid-19 crisis.

#### **4. Pay and benefits**

Many employee participants rated other aspects of job quality more highly than pay and some reported that they could find higher paid work elsewhere if they so wished. Over two-thirds of the case study organisations are paying the real Living Wage, which is based on assessments of the true cost of living by the Living Wage Foundation. Two of the eight cases were also accredited Living Wage Employers.<sup>2</sup> Organisations unable to pay the real Living Wage can compensate for this to some extent by providing other benefits beyond the statutory requirements, such as additional paid leave. Also identified was the importance of transparent pay structures, with lack of transparency regarding salaries between colleagues with similar job roles reported as a source of frustration by staff in some organisations.

#### **5. Skills and development**

Provision for staff development, progression and recognition of achievements often translate into increased motivation, job satisfaction and staff retention. Although all of the larger case study organisations provided formal training opportunities, formal training can be costly and difficult for smaller organisations to afford. However, the benefits of less formal 'on-the-job' training, including mentoring and supervision, should not be underestimated. In-house training can be better tailored to the needs of the job than externally provided training courses, and can create developmental opportunities for those mentoring and supervising junior and new staff. It can also strengthen staff relationships and the workplace culture.

2 The National Living Wage is the statutory minimum wage set by the government for workers over 25 and based on a percentage of average earnings, while the real Living Wage is based on real living costs and paid voluntarily by employers.

Although provision of good career prospects was recognised by community business leaders as an important factor leading to good retention rates, opportunities for progression are often more limited in smaller organisations. However, there were also positive stories of former service user volunteers who had been offered employment and subsequently progressed to senior positions within some small community businesses.

### **6. Flexible working, work-life balance and family-friendly support**

Flexible working is often presented as a panacea for improving work-life balance. However, in order to result in mutually beneficial outcomes, it is important that flexibility is two-sided and responsive to the needs of employees rather than being employer-led, as is often the case in many 'mainstream' businesses. In many of the community business cases, Covid-19 had triggered a culture shift which has resulted in the normalisation of flexible working arrangements, and particularly working from home. This has improved the work-life balance for many staff, including those with parental or care responsibilities, as well as productivity in some cases. Although remote working is not feasible for staff in all service areas, such as nurseries, other family-friendly supports include the opportunity to agree working hours that allow staff to fit their job around their personal lives, or to bring children to work regularly or in emergencies. However, not all staff adapt well to working from home, and some interviewees reported experiencing 'dark periods' and depression during lockdown. For some, working from home can negatively impact motivation and productivity, as well as personal wellbeing. It is therefore important to provide staff with the options for flexibility that work for them and which best maintain both productivity and wellbeing.

### **7. Health and wellbeing**

Work can have both positive and negative effects on employees' mental and physical health. Community businesses often provide employment and volunteering opportunities for people with mental health needs. Our study included a couple of cases where employment and progression within the organisation had boosted participants' self-confidence and mental health. However, the Covid-19 crisis has provided considerable challenges in terms of maintaining staff wellbeing, and particularly for employees who live alone. In many cases, keeping in touch through regular formal and informal Zoom meetings and telephone conversations has played an important role in ensuring staff do not feel excluded or isolated, and providing the feeling of being needed and recognised for their work. Over the past year, many participants had also used the time saved by not having to commute to engage in physical pursuits such as jogging, going for long walks, meditation and yoga, with resulting improvements to their health and wellbeing.



### Combining the dimensions and practices of good work

The seven dimensions summarised above have informed the 'Pathways to good work' toolkit which includes many suggestions for practical changes which can lead to significant improvements in working conditions. Positive and mutually beneficial outcomes can be further increased if the good practices identified within the seven dimensions are combined. All seven areas are interlinked, so that community organisations can also benefit from 'multiplier effects', with a change in practice in one dimension having a positive influence on working conditions in at least one other dimension. For example, open communication and inclusion in decision-making can also translate into increased motivation and productivity, as well as staff wellbeing more generally. Good work is about a collaborative culture of 'give and take' between staff, volunteers and organisation leaders – i.e. staff and volunteers will be more likely to go the 'extra mile' for the organisation and the communities they serve if they are treated well.



# 1. Introduction

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## 1.1 What is good work and why does it matter?

This study examines how community businesses are able to provide 'good work' for their employees and volunteers while also delivering viable community services and other beneficial impacts. Good working conditions and job quality are widely seen as crucial to creating a motivated and skilled workforce that is empowered to deliver high quality products and services. We know that many of the jobs that have been created over recent years have been insecure, poorly paid and precarious, with much debate about the shortcomings of the 'gig economy'. The concept of 'good work' has therefore become a priority topic in the UK, as reflected in the recent *Taylor Review of Modern Working Practices*<sup>3</sup>, the government's *Good Work Plan*<sup>4</sup>, and the Chartered Institute of Personnel and Development (CIPD) *Working Lives* survey<sup>5</sup>. At a global level, the International Labour Organization's *Future of work centenary initiative* includes a focus on social and solidarity economy organisations (including community businesses) and 'decent work' (Borzaga et al., 2017).

Community businesses are different from many other organisations in that they combine both social and business objectives. Their prioritisation of social value and community benefit is likely to attract venture leaders, employees and volunteers who are similarly motivated and wish to engage in meaningful work (Bailey et al., 2019). As mission-driven organisations, community businesses should be well placed to provide something different: meaningful and worthwhile work, with secure working conditions, prospects for personal development and the ability to participate in organisational decision-making. The holistic conception of good work adopted for this study encompasses a number of dimensions which have been adapted to ensure they reflect the reality of work in community businesses, while also providing some means of comparison with previous studies and relevant data.

“ I got the job here 16 years ago and it was just like I never wanted to leave really ever since

Employee

3 <https://www.gov.uk/government/publications/government-response-to-the-taylor-review-of-modern-working-practices>.

4 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/766187/good-work-plan-printready.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766187/good-work-plan-printready.pdf).

5 The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. UK Working Lives is an annual representative survey of UK workers first published in 2018. Reports and other resources are available at <http://www.cipd.co.uk/workinglives>.



## 1.2 How to provide good work in community business at a time of crisis

Community business is a subset of the broader category of social enterprise – a diverse range of organisations which operate at the boundaries of the private for-profit, public and civil society (third) sectors (Higton et al., 2020; Doherty et al., 2014). Community businesses are distinguished from other social enterprises by their rootedness in particular localities.<sup>6</sup> A further defining feature of such mixed purpose or 'hybrid' organisations is that they give primacy to a social mission while adopting a business-like approach to trading in goods or services. This enables them to sustain their contributions to communities by ensuring the ongoing financial viability of the organisation. Social and community enterprises can take various legal forms but often adopt civil society sector governance structures which facilitate the democratic involvement of community stakeholders, including employees and service users, in strategy and decision-making (Sepulveda et al., 2020).

Community businesses face huge challenges as employers – many of which have been amplified by the experience of the Covid-19 pandemic. Given their mostly small scale, many community businesses are likely to face similar challenges to those found in the wider small business population, including limited resources for staff remuneration and development, and their vulnerability to market conditions and fluctuating income (Croucher et al., 2013). In order to remain viable, community businesses must find ways of providing good working conditions while coping with budgetary constraints at a time of economic stagnation and cuts to funding affecting many organisations (Avdoulos et al., 2020). Yet, our research demonstrates that the Covid-19 pandemic and lockdown has also served as a catalyst for some positive changes and innovation in working practices and service delivery. The study provides a timely exploration of pathways to good work, identifying how community businesses are able to implement and sustain good practice within diverse – and often challenging – operational contexts.

- We identify the following seven key dimensions of job quality:
- meaningful work
- voice, democratic governance and inclusive culture
- contract and job design
- pay and benefits
- skills and development
- flexible working, work-life balance and family support
- health and wellbeing.

6 <https://www.powertochange.org.uk/what-is-community-business>.

A key difference from other categorisations of good work is that we treat meaningful work as a dimension in its own right, rather than just one aspect of the job design dimension, to account for its particular importance in the community business context. Community organisations face huge challenges as employers especially when short of resources. The toolkit provides a practical guide to the various elements of good work and how these can be implemented and combined for beneficial outcomes to the business, its staff and volunteers, and for communities.

### 1.3 Aims of the study

There has been a growing interest in how community businesses are able to address the wellbeing needs of their staff and volunteers, as well as their service user beneficiaries (Stumbitz et al., 2018; McClean et al., 2019). Previous research has also explored the link between 'good' or 'decent' work and improved productivity and business performance in small and medium-sized enterprises (Croucher et al., 2013). However, the key factors that shape the quality of working life within community businesses have not been investigated in any great depth. This study therefore seeks to answer the following main research question:

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**How do community businesses provide 'good work' for their employees and volunteers while also delivering viable community services and other beneficial impacts?**

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Our research addresses this question via four detailed aims, to:

1. identify and raise awareness of practices that are supportive of good work in the sector
2. clarify pathways to good practice by developing a toolkit to allow community businesses to benchmark themselves on the quality of their working environment and areas for improvement
3. strengthen the evidence base on the impact of community businesses on local economies and inform the preparation of policy briefings
4. explore the challenges and opportunities for the provision of good work during the Covid-19 pandemic and beyond.

The 'Pathways to good work' toolkit (see Appendix) is designed to help community businesses assess and benchmark their own practices. It provides an easy to use guide by identifying good practice across all the key dimensions of good work identified in the research, and includes examples of quick wins, easy fixes, and low-cost supports, as well as longer term strategies. The insight from this report and toolkit will also be of value to policymakers, support providers and funders in their efforts to help develop and grow the community business sector. Finally, it is worth noting that the good work examples were collated in the midst of the Covid-19 pandemic. If it is possible to provide such beneficial practices in the midst of a global pandemic, they should be even more affordable and feasible in more settled economic circumstances.

## 1.4 Methodology

The research involved a review and some further analysis of existing data sources, in-depth interviews within eight case study community businesses, and two focus groups. In total, 35 in-depth semi-structured interviews were conducted with leaders, employees and volunteers in the eight case study community businesses. The sample represented ventures of different sizes from across England, operating in different sectors and at different stages of development (but excluding new-starts). Case study organisations were purposively selected in consultation with Power to Change and Locality to ensure that they exhibited elements of good practice on a range of indicators (see Section 2). Table 1 shows the profile characteristics of the eight participating organisations. Due to the small sample size, we only reveal the respondent type (community business leader, employee or volunteer) when quoting from the interviews and not the case number, in order to ensure participants' anonymity.



Table 1: Overview of participating organisations

Case no.	Main activity/sector	Legal form	Size <sup>7</sup>
1	co-operative bakery and cafe; project is co-owned by people who live and work in the local area	Community interest company (CIC)	S
2	employment, learning, wellbeing, enterprise, inclusive integration, and children and families	Charity and company limited by guarantee (CLG)	M
3	social care, mental health; support wellbeing, community and independent living	Charity and CLG	S
4	supports members of the local community with a range of activities that improve their quality of life	Charity and CLG	S
5	city farm, offering lifelong learning, outdoor therapy and education to children, adults with special needs	Charity and CLG	S
6	community owned and run market hall; also community venue used for events and courses; neighbourhood regeneration	Community benefit society (CBS)	S
7	neighbourhood regeneration, employment support, mental and physical health services, advice on issues such as welfare, debt, housing and benefits, community library, education, skills and training for children and young people	Charity and CLG	M
8	community gardening, therapeutic horticulture and city farming to improve wellbeing	Charity and CLG	S

Interviewees included the CEO or a senior manager in each case study organisation (also referred to as ‘leaders’), as well as staff in different roles and levels of responsibility, and volunteers. Interviews were predominantly undertaken online to comply with Covid-19 restrictions. In three case study organisations, interviews were undertaken face-to-face right before the onset of Covid-19 in 2020, and a second set of interviews conducted a year later (this time online), to capture participants’ experiences of Covid-19 and add a longitudinal element to the study. Interviews lasted between 30 and 90 minutes and were recorded, with the interviewee’s permission, and transcribed verbatim.

<sup>7</sup> We used the standard employment size bands adopted by the UK government: small (0–49 employees); medium (50–249 employees); large (250+ employees) (BEIS, 2020). These size categories have also been used in the SEUK’s *State of Social Enterprise survey* (SEUK, 2019).

Interview questions covered participants' perceptions and expectations of good work and actual experiences, including with respect to: type of contract; job role; pay and benefits; meaningful work; staff development opportunities; workplace culture and inclusion in organisational decision-making; flexible working arrangements and other family-friendly and work-life balance supports; health and wellbeing. The interviews conducted in 2021 also covered the impact of Covid-19 on the activities of the organisation and on good work. Detailed thematic analysis was conducted based on existing understanding of the subject as identified in the literature, as well as additional issues or themes developed from the interviews.

Further context for the study was provided by reviewing the most recently available data from Social Enterprise UK's *State of Social Enterprise* survey (SEUK, 2019), Power to Change's *Community Business Market* research (Higton et al., 2020) and other accessible sources, to provide background context and inform the detailed design, planning and analysis. In the SEUK 2019 data set of 1,767 social enterprises we identified a subsample of 331 community businesses (18.7%).<sup>8</sup> Triangulation of the results was undertaken by comparing our interview findings to insights gained from the SEUK data and other available evidence, as well as two focus group discussions with community business participants.

The two focus groups were held with community business and HR leads, staff and other stakeholders. These provided a forum for reflection and discussion of the emerging findings of the study and were particularly crucial in helping to refine the prototype 'Pathways to good work' toolkit. Further feedback was invited from the case study organisations to ensure the toolkit was fit for purpose and tailored to the needs of community businesses. The toolkit is available in the Appendix and as a standalone document.

8 We used the following criteria to identify community businesses: 1) proportion of organisation's total income generated from trading activities: more than 50%; and 2) widest geographic area it operates across: neighbourhood/community or local authority. These identifiers provide broad indicators for identifying community businesses within the SEUK dataset. The definition for a community business is not hard and fast and, in fact, many of them operate nationally (e.g. selling plug plants from a community farm) but what matters is that the income generated and business itself benefit the place it is situated in. Further, many get less than 50% of their income from trading but are still considered community businesses by Power to Change due to their aim to increase income from trading.



## 2. Dimensions of good work in community businesses

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In this report, good work is understood as denoting a high quality of employment and working conditions as demonstrated across a number of dimensions. The different indicators of job quality used have been adapted from those developed by previous studies, notably the CIPD Job Quality Index<sup>9</sup>, to provide a means of comparison with existing data and understanding while reflecting the reality of working conditions in community businesses. In particular, the relative importance of ‘meaningful work’ as an aspect of good work is a key feature of community businesses and has therefore been treated as a separate dimension in our analysis. For the purposes of this report we define meaningful work as with a sense of purpose or social value, and which also provides interest, variety and stimulation for the employee or volunteer.<sup>10</sup>

Participants were asked to reflect on what they understood to constitute work that was ‘good’ and ‘meaningful’. Most initially thought of their work in terms of a strong social purpose, or high quality of service provided to their target groups, with only a small number giving emphasis to the more direct benefits to themselves as individuals. The tendency of both community business leaders and employees to put the work they do for others before their own job quality was an important attribute throughout the analysis. However, as a next step, we asked interviewees about their perception of ‘meaningful work’ and if they thought it was the same as ‘good work’. Participants’ responses varied greatly, but broadly divided into those who thought it was ‘the same’, and those who subsequently changed their definition of ‘good work’ as referring to job quality.

### Box 1: What is the difference between good and meaningful work?



*Good work, to me, is probably about the environment and the conditions that you work in, that you’re feeling of value and aren’t overworked and all of them, you have a good lunch, right, all those kinds of things, whereas, and I think that that could be anything, you know, you could be working in a factory, making fridges and you could still have all of these team things and relationships and nice breaks and stuff. But I think **meaningful work is whether it actually makes a difference in someone’s life or, I suppose, if it was an environmental charity, you know, if it makes a difference in the environment, if it makes a change.***

Employee (our emphasis)

9 The CIPD Job Quality Index used in the UK Working Lives survey can be accessed [here](#).

10 We explored participants’ perceptions of ‘good work’ rather than providing them with a definition of any terms.

Table 2 sets out in more detail which aspects are included in each dimension of good work.<sup>11</sup> All of these elements are interlinked and most effective if provided in combination (Section 3). Equal opportunity practices in relation to gender, ethnicity and disability should be ensured across dimensions.

Table 2: Dimensions of 'good work'

	Dimension	Key elements and issues
1	Meaningful work	Two main elements: a) work with (social) purpose; b) work that provides interest, engagement and stimulation
2	Voice, democratic governance and inclusive culture	Empowerment and choice in how work is conducted; having a voice and participation in organisational decision-making processes; inclusive culture and the quality of relationships between staff (and volunteers) at all levels
3	Contract and job design	Contract type and job security, workload (including underemployment), job complexity and variety
4	Pay and benefits	Living Wage, employer pensions contributions, holidays and other employee benefits
5	Skills and development	Training and development; opportunities for progression/promotion; how well-resourced and supported people are to carry out their work, how well this matches the person's skills and qualifications
6	Flexible working, work-life balance and family-friendly support	Provision for flexible working (including home working) and related support; overwork, commuting time, and encroachment on personal life and vice versa
7	Health and wellbeing	Positive and negative impacts of work on physical and mental health; often considered as an outcome of job quality

Source: Adapted from CIPD Working Lives survey (Warhurst et al., 2017; Wright et al., 2018)

11 The dimensions identified provide a useful framework for community businesses to self-assess working conditions in their organisations. However, it is important to note that the boundaries between the different dimensions are blurred with some aspects being of relevance in more than one dimension. For instance, keeping in touch is important for maintaining a positive workplace culture, as well as a key condition for successful remote working arrangements. Overwork is an aspect of job design but also closely related to work-life balance outcomes.

Box 2: Participants on the importance of good work



*We have a contract with people ... If you take or strip everything away, we have an employment contract [...] but you have to make a work environment as positive as you can, you know. Yes, there's a contract of employment, we require people to do certain things, but you can make sure that you're making that as positive an experience for people as possible.*

Director



*It's a bit simplistic to think that working for a good worthwhile cause is enough to make it good work and I think, for me, balance is the word or thing, you know, balance of energy, a job where work doesn't take more from you than it gives.*

Employee



*Good work means putting people first and trying your best but not to the extent, where you don't look after yourself. And I'm a great believer in that you can only care for other people if you care for yourself first.*

Employee

Our study lends further support to previous research on how good work contributes to productivity, staff retention, skills, motivation, work-life balance, and health and wellbeing, all of which also help improve the quality of products and services (e.g. Croucher et al., 2013). The following sections will present a more detailed analysis of findings across all the dimensions of good work, including illustrative examples of good practice, and how these dimensions can be combined into 'bundles of practice' to translate into mutually beneficial outcomes more effectively.

## 2.1 Meaningful work

“ I suppose meaningful work is when you're in a job that has a purpose and that you enjoy doing.

Employee

This dimension may be experienced by staff and volunteers in two main ways: the services provided are *valued and fulfil a social purpose*; and the work itself provides *interest, engagement and stimulation*. The following quote provides an example of an employee who experienced both these elements to be strongly present in her work:

“ There is so much **opportunity**, there is so much work to do, just to keep the [name of organisation] going that there is a **constant variety and you constantly feel like you're learning new things**. And so, I suppose, even though there is a hierarchy here, it doesn't feel like there is; **it feels like everybody has an equal say**. I've never felt that I'm doing a job for someone else because I've been told to do it. **I feel like I could do it from my own initiation** and that's really the main thing for me. And I suppose also, what brought me to the place in the first place is **knowing that what you do makes a difference**, I think that that's really important.

Employee (our emphasis)

### a) Work with a sense of purpose and social value

#### **Work with a sense of purpose is a key feature of community businesses.**

Most community businesses, by definition, provide work which is highly purposeful in terms of delivering crucial services to their user communities, including many who are vulnerable and disadvantaged. This was reflected in the responses of interviewees on how their work was meaningful and purposive for themselves, the organisation, the local community and society as a whole:

“ We make a meaningful difference at many levels: this is for people at individual level; we make the difference in the district, so we work with a district-wide strategy to improve the district's outcome; and, obviously, if we are just sticking to health, for instance, we contribute to national data sets about the health work we do, so we make a difference nationally, so that's the meaningful work.

Director

Many participants saw the provision of meaningful work as a key *raison d'être* of their organisation. They themselves gained satisfaction and increased wellbeing from doing useful work for others as well as recognition from service users, as related by one employee:

“ [They might say:] ‘Thank you so much for the hard work you do here’, and that’s what makes it such a great place.

Employee

Participants also reflected on how their work had become even more vital with the onset of the Covid-19 pandemic and spoke of an increased “sense of purpose” but also frustration and concern where their ability to provide the same high level of service had been compromised. This applied particularly in cases where services had shifted from face-to-face to online or telephone provision, or if part or all the service had had to be discontinued.

Many participants also emphasised how their organisation’s ethos and approach to service delivery contributed to their experience of work as meaningful, and how this also made a difference and added value to their services. For example, interviewees praised the more holistic and person-centred nature of meeting a need through their work:

“ Because we are getting to the root of the problem, not treating the symptoms [...] **We want our mental health work to be the same you would get when you go into any NHS offices or clinics, we have the same quality we have the same qualified and experienced staff here and we will be monitoring the same way, we use the same tools of assessment, but we go one step further in that we provide a holistic service.** [...] So if you go to your GP you’ve got five minutes, and you can tell them only three illnesses, you have today or you need to **make a longer appointment.** We don’t do that when you come to us, you will get assessed and by the end time when we’re finished with you we’ll know a lot more, even if you just turned up stressed. And then **we create a plan to help you, with your help and that’s damn good.**

Director (our emphasis)

Another employee compared her current work with her previous experience in the public sector:

“ It was all targets based so I used to get in trouble, because I spent too long speaking to people, because I actually found resolutions to their problems rather than kind of passing it off. [...] I would spend longer actually fixing the problem, but then you would get into trouble, because everything was time restricted and target based. Obviously, there are targets with [name of venture] too, you know, I have targets that I have to meet on all of my projects but it’s much more person-centred.

Employee



Box 3: Good practice example – meaningful work (sense of purpose and social value)

Most community businesses naturally fulfil this element of job quality, as addressing a need in the community is core to their social mission and an attractive feature for their employees and volunteers:



*I think meaningful work is just anything that contributes to society, really, and that could be on a whole like different levels, [...] it's just anything that kind of contributes and makes life a little bit easier and a little bit better for people. [...] You know in everybody's job there are elements that they don't love and that aren't their favourite things but I feel my job gives me a real sense of purpose and I feel quite proud of it.*

Employee

#### b) Work that provides interest and stimulation

“ *No two days are the same. It's interesting it's challenging it's rewarding*

Employee

Interviewees were asked about the extent to which their job provided variety, flexibility and autonomy in how they choose to do their work, and how much they valued challenge and the opportunity to learn new things (see Box 4). Through regular conversations with staff (whether informal or part of a formal appraisal or supervision meeting), employers can ensure that their staff are still happy with the intellectual demands of their job. In order to keep work stimulating for staff, employers can temporarily or permanently reallocate tasks or even move employees to a different department. This can bring a number of other mutual benefits including increased staff experience and learning, and more effective management of staff absence such as for sickness or maternity and paternity reasons.

Tasks which provide intellectual stimulation and work with a sense of purpose can often overlap, as was particularly illustrated by experiences during the Covid-19 crisis. The impact of Covid-19 on work within community businesses was varied, with many interviewees reporting their experiences of the first weeks of the pandemic and lockdown as a positive challenge and even “a thrill”. Many spoke of having enjoyed the “immediacy” and need for a rapid response to the new situation. Experiences at this time were described in terms such as “like being on a rollercoaster”, “overstimulating”, providing “a lot of light adrenaline”, and “having to learn new things all the time”. Some interviewees were almost apologetic about sharing these feelings, recognising that they were talking about a time that had already cost many lives and caused many people extreme hardship.

Experiences of Covid-19 therefore revealed how closely linked the two dimensions of purposeful and intellectually stimulating work are in practice. After the first 'high' of emotions around the need for a rapid response to the onset of Covid-19, participants' excitement often then faded as the initial 'thrill' of the new situation was replaced by the more negative implications for work experiences. For instance, one participant observed that, even during the Covid-19 crisis, it was still not enough for him to be doing work with a purpose if it is not also intellectually stimulating. When the pandemic hit, his job role had changed to include more practical and prosaic duties, such as food shopping for service users, rather than strategic tasks. The increased sense of purpose and being needed had to come at the cost of intellectual stimulation and satisfaction, resulting in this employee feeling "disempowered" and having taken a backward step career-wise. He thus felt that the benefit was more one-sided "rather than mutually good work", so that he was losing out:

*“ I've struggled this year to sort of get something from the work, like a struggle to try to perceive a sense of purpose for myself. I know the work is important and it's useful and there is a purpose. The reason why I'm doing it. But I've struggled to kind of find that sense of meaning and satisfaction, I guess. I think it's made me think that meaningful work has to be some sense of movement and growth in it for me ... and I imagine for most people. I think it's not enough for the work to feel real and tangible.*

Employee

Box 4: Good practice examples – meaningful and stimulating work

The extent to which a job is intellectually stimulating depends on the levels of skill, variety and challenge of the tasks involved. Some jobs provide a lot of variety while others are more repetitive. People's needs and preferences for variety and challenge or routine can also vary considerably, and with different perceptions and experiences of specific roles and tasks.

For example, one employee who had been in her role for 16 years appreciated the challenges provided by her work and that she was still learning new things every day; a senior manager who praised his job argued "no two days are the same – it's interesting, it's challenging, it's rewarding".

A staff member in another organisation, who had been in her job for 14 years, was content with doing the same things every day as it gave her confidence and a sense of security that every day was predictable:

*“ I am happy doing what I'm doing so I don't know why I should change [my job role]. I like to keep it as it is. Now I wake up in the morning, and enjoy coming to work, you know, that's important.*

Employee

## 2.2 Voice, democratic governance and inclusive culture

### **Inclusion in decision-making helps to boost motivation and reduce tensions.**

Democratic ownership and control is a core principle for many social enterprises, although empirical studies show how this can be a challenge to implement in practice (Sepulveda et al., 2020; Vickers et al., 2021). Our analysis of the SEUK 2019 data indicates that community businesses are significantly more likely to have adopted mechanisms to include employees in their decision-making processes compared with other social enterprises, as shown in Table 3.

**Table 3: Engagement of employees in decision-making: community businesses compared with other social enterprises**

	<b>Community businesses</b>	<b>Other social enterprises</b>
Staff have voting rights on certain matters under the organisation's articles of association	27.5%	14.1%
Staff can submit or present items for board meetings	64.0%	30.3%
Open door policies between employees and leaders	78.2%	39.1%
Use of staff council or representative employee groups	20.5%	10.5%
Staff engagement forums	33.2%	17.3%
Staff feedback is sought through emails, surveys etc.	49.8%	25.6%
Other	1.8%	1.9%
None of these <sup>12</sup>	13.3%	6.8%

Source: SEUK State of Social Enterprise 2019

All of the eight case study organisations had adopted legal forms and governance models that enabled ownership and control on behalf of employees and the communities they serve (Table 1, p. 12). Most had also adopted specific mechanisms for giving a voice to employees and including them in democratic governance and decision-making.

<sup>12</sup> 'None of these' can refer to 'no opportunities for participation in decision-making' as well as supports that are not covered in this list ('other').

Including employees in decisions that affect their working lives can lead to several positive outcomes, including in terms of boosting motivation and empowering them to contribute to service improvement and innovation (Vickers et al., 2017). Inclusion in decision-making is also an important element of and condition for maintaining a positive workplace culture. Particularly in the process of re-strategising that most case study organisations were currently undergoing, as a result of Covid-19, it can reduce tensions if the workforce has a voice in relation to the future pathway of the organisation. Moreover, and in contrast to some other recent studies on the impact of the ‘coronavirus economy’ (Irvine, 2020), our findings suggest that previous high levels of employee involvement in decision-making have been maintained by the case study organisations during the pandemic.

In smaller organisations with flat hierarchies, democratic decision-making was part of the overall culture of the venture. In larger community businesses, management styles could vary between different departments, even if the organisation aspired to an overall ethos of collaborative governance and democratic decision-making. In the following example, a community business leader relates how approaches to collaboration can be shaped by the styles of different managers within the organisation and other behavioural factors, as well as external influences and regulatory oversight which can restrict choice in how certain services are delivered:

“ Different managers have different styles, some of those [are] much more collaborative and some much more sort of top-down and wanting to control. I think that particularly in the children centres it’s more controlling and it’s partly because it’s more difficult because you’ve got more considerations around nurseries and dealing with wonderful families and I’d like that to be more collective decision-making in teams. It’s been difficult to push that if I’m really honest. It’s difficult to change people’s behaviour, particularly when there’s a crisis actually because I think people revert back to their sort of natural comfort zone and it’s not good. [...] but there’s other parts of [this venture], without a shadow of a doubt, with some very good examples of collaborative team decision-making.

Director

However, in the same organisation, another department had adopted a very participatory approach to deciding how to continue providing the best possible services during the crisis (see Box 5).

Box 5: Good practice examples – inclusion in decision-making

Example of inclusion in decision-making across the organisational hierarchy:



*All decisions actually are filtered through the team meeting and there are opportunities for people to input. [...] Obviously, things have changed with Covid-19 but I'd say that it's something that we're very, very good at. [...] Even when there was a period of time when it was only me and [the director] working for [the venture], she would still sit down with me as a junior member of staff and say this is what I'm thinking, what do you think and everybody has a voice and a say. And it might be, what your opinion is or what you've suggested can't happen or not everybody agrees, but I'd say we're quite diplomatic in terms of how we deal with those things and we listen to people's views and opinions and try and work out what's best for everybody.*

Employee

Example of team-based decision-making in a larger community business:



*The [name of the team], which is a small team – there's about six, seven staff [...] very much discussed collectively how they were going to approach [Covid-19], shared workloads, they also got staff involved with the emergency food parcel service. So I think that they've got a pretty collaborative approach about how they're going to resolve challenges provided by the crisis.”*

Director

**A positive workplace culture improves staff retention, work ethic and wellbeing.** A good workplace atmosphere was a key characteristic across case study organisations and often mentioned as an important reason for staying with the organisation. Relationships between colleagues and the employer were often described as very close-knit and family-like:

“*My work colleagues are like extended family and with many in the team that I work with at [name of organisation], it feels like I've known them all my life, and I regard them as being my extended family rather than just work colleagues and that's what makes it a truly amazing place to work.*

Employee



Experiences of the workplace culture during Covid-19 were more varied, although many participants concurred that Covid-19 had tested relationships and led to increased tensions between staff in some cases. Sources of tensions mentioned included divergences of opinion around the necessity of certain health and safety measures, such as the use of protective face masks. Some staff felt they had not received sufficient recognition for doing higher-risk work (e.g. continuing to see clients face-to-face) while other team members were working from home, or still being recognised as doing valuable work from home, even if not visible in the workplace. For instance, some employees felt they were letting colleagues down when furloughed while other colleagues were continuing to deliver face-to-face services.

However, most participants felt that the relationships between employer and employees, as well as between colleagues, had improved overall. One staff participant explained that, in his view, the good workplace culture pre-Covid-19 had been an important foundation for helping the organisation cope during the pandemic. Colleagues had grown closer through honesty about their feelings, fears, needs and concerns. The following quotes from community business leaders provide further examples of some of the more positive changes to the workplace culture in the context of Covid-19:

“ *If anything it's made us more empathetic of each other. Because we know more about personal lives and impact on people because they've been more open to tell us. [...] I think [relationships] have improved.*

Director

“ *[...] overall positive, that sense of pulling together around a common, very difficult cause [...]. I have to say, there's been the less positive side of it as well, which I alluded to, where staff have felt that we haven't been as helpful as we could be and I get that, it's a very difficult situation, but I'd say in general it's been positive and we've seen that a lot of staff have been amazing and have really gone the extra mile and, I think, on the whole it's been positive, with the odd blip along the way.*

Director

**The importance of open communication and keeping in touch.** The ability to share any views and concerns was viewed as an important condition for retaining the positive workplace culture and for nurturing relationships both between employer and employees, and among colleagues (see Box 6). An inclusive culture also involves a zero tolerance approach to all forms of discrimination, harassment and bullying.

Keeping in touch with those working from home was seen as particularly important during lockdowns to maintain a sense of structure and purpose, ensure that staff still had a voice and to reduce feelings of isolation while being distanced from colleagues (see Section 2.7). Some leaders struggled to maintain their usual levels of contact and one-to-one support, but there were also examples of colleagues stepping in to provide (virtual) peer-to-peer support, which further improved workplace culture and team spirit (see Box 6). In one case, employees were used to having regular online meetings and catch-ups, one-to-one check-ins and weekly face-to-face supervision pre-Covid-19. However, leaders in this case struggled to maintain this high level of communication and support and had changed to providing only bi-weekly supervision. Staff felt that this was not enough and, as a great example of mutual self-help, developed the idea of peer-support in off-weeks to fill the gap and to relieve the pressure on the leadership team.

**Box 6: Good practice examples – workplace culture, open communication and keeping in touch**

Example of open communication as important aspect of positive workplace culture:



*Because what we do very well is we communicate, so if anybody's had any kind of challenges or any concerns then they'll raise it and we'll talk about it and try and resolve it, and that works really well and I think the worst thing that can happen is when people don't talk about what their issues are [...]. I think we all speak fairly openly about our feelings of what's happening and [...], when compared to other places I've worked at or other places I've heard about, I think it's got a really good culture, I think that there's a baseline set of values that we all really work towards.*

Employee

**Example of peer-to-peer support and pulling together** during the pandemic in cases where the demands to continue to keep in touch were too overwhelming for community business leaders:



*So what we as a team do now, we meet every morning on Zoom. [...] I mean it's not a meeting, it's just here we are, how are you doing, how are you feeling ... So we do that every morning at 10, [...] some people are eating breakfast [...]. We're trying to keep connected as far as possible without actually having a physical office. [...] We enjoy that, we look forward to that bit of wellbeing, it's just to lighten the mood a little bit, so we try to keep it as fun and friendly as possible, well, as it normally is in the office...*

Employee

## 2.3 Contract and job design

**Contract types and job security.** Permanent employment contracts are often viewed as providing the highest level of job security. In its *Good Work Plan*, the UK government thus pledges legislation ‘that introduces a right for all workers to potentially move towards a more predictable and stable contract’ (BEIS, 2019, p. 10). Most of the case study organisations provided at least some permanent employment contracts, but contract types varied between and within organisations, and also included the use of hourly paid staff. Organisations reliant on short-term contracts and grants find it hard to support permanent posts. Being able to demonstrate business growth and having healthy financial reserves can provide the confidence needed to underpin more secure and longer-term contracts.

Many staff members were on fixed-term or rolling contracts that were dependent on grant income and would be renewed on condition that follow-on funding was secured. However, some interviewees had been employed on a series of rolling contracts for a number of years, as illustrated by the following two examples:

“ *To be honest, I mean, I’ve been at this for nine years now, and I started on a contract that was two years long, so it’s just the nature of the beast.*

Employee

“ *Yeah, it’s only short term, so I’m kind of getting to the end of [my contract] now. [...] No, I’m not really [concerned] because I have a feeling that they will extend the contract, so I think I’ll be OK.*

Employee

Although a concern from the perspective of job security, none of the affected participants appeared overly worried about the future predictability of their employment, as employers had ‘looked after them’ in the past and made sure to secure an ongoing role for them in the organisation (see Box 7).<sup>13</sup>

<sup>13</sup> However, being unable to provide evidence of job security may pose difficulties for employees in some circumstances, for example, if applying for a large loan or mortgage.

#### Box 7: Good practice example – contracts

Community businesses should aspire to provide more predictable and stable contracts to maximise job security. Where there is no alternative to fixed-term contracts, staff can be moved between departments or job roles, depending on availability of follow-on funding. Although a coping strategy rather than a good practice, it can have the benefit of employees experiencing and learning about different parts of the business as well as helping to manage staff absence:



*What usually happens is, before the funding runs out, obviously we try and get more funding to carry on the project because it's worthwhile and then my contracts are extended. [...] It works out quite well for me as it allows me to do what I enjoy doing, and I don't care to worry so much because the great thing about working with [name of organisation] is that if they feel that you do your job to the best of your ability and they're happy with you, they'll always try and find something for you to continue. I know that, if this comes to an end, [our director] will do her best to find me another position in the organisation.*

Employee

However, Covid-19 had resulted in increased concerns among staff interviewees about whether their contracts would be renewed, which was often dependent on whether a particular service was continued or further funding was secured. Nevertheless, our sample also included some organisations that were expecting to come out of the crisis stronger, including with respect to job security. As one staff member explained, “what we would normally be spending we haven't, so because of an understanding of being able to extend the contract it means that, from a security point of view, I've got my job longer”.

However, there was considerable variety across the cases with respect to how well organisations had been able to navigate through the Covid-19-period. Pre-pandemic, organisations could become more sustainable and make employment contracts less dependent on grant income by increasing their income from trading. Some had lost all of their trading income and argued that if a larger proportion of their income had come from grants, this would likely have made them more resilient over the past year.

**Working hours, over- and underwork.** Although the availability of full-time employment is important for many, including in terms of maximising earning potential, not everybody wants to or can work full-time. Some workers need to adapt their working time around the demands of their personal lives (see Section 2.6). However, the minimum of guaranteed working hours should provide a decent standard of living (see Section 2.4). Employers can offer ‘Living Hours’ (a guaranteed minimum of 16 hours a week unless the worker requests otherwise (alongside a real Living Wage)).<sup>14</sup>

<sup>14</sup> See <https://www.livingwage.org.uk/living-hours>.

None of the case study organisations used zero-hours contracts, although interviewees in several organisations raised concerns about the danger of ‘underemployment’ being used by employers as a measure to survive the Covid-19 crisis.<sup>15</sup>

There is therefore a need to differentiate between employer- and employee-led part-time work. For example, there were some cases of underemployment where staff felt they were employed for too few days per week, which was attributed to the financial situation of the business not allowing for an increase in weekly hours. A leader in one case explained that she had recently gone part-time, an option which she had been considering for some time to improve her work-life balance, which had helped the organisation save money in the new and more challenging climate:

“ I’ve been thinking about reducing my working hours for years and actually just felt that ... it sounds odd in a pandemic and sort of a crisis, but I thought [...] I can do it, partly because I don’t have the traveling and so I thought this is a really good opportunity, plus, you know, I’m the highest paid staff member. I don’t earn a huge amount of money, but it’s a little bit of a cost saving for the organisation as well, actually.

Director

We also identified several examples of overwork (working too hard, too much or too long) among staff, volunteers and organisation leaders, affecting both full-time and part-time employees. Experiences of over- and underwork varied considerably during the Covid-19 pandemic. Some participants reported increased overwork, while others, including staff on furlough, often felt substantially underused. Both experiences could sometimes be found in the same organisation. In a couple of cases it was part of the venture’s pandemic strategy to divide teams into those continuing to provide face-to-face services while the other half of the team was serving as a backup in case the first set of staff contracted Covid-19. This could lead to resentment among overworked staff who reported feelings of injustice and envy towards colleagues who could “sit at home” while still being paid. At the same time, the back-up team and, similarly, staff on furlough leave or working from home (e.g. because they were shielding) felt uncomfortable about not being able to support their colleagues and, in a few cases, reported how this situation had had a negative impact on their wellbeing.

Shortage of staff is a key challenge for many small community businesses, where the CEO often has to be a ‘jack of all trades’. One community leader reported that he was regularly working 60 hours per week. However, larger ventures tend to be much better resourced, allowing the CEO to focus on the more strategic side of the business. Another community business leader shared her experience of working in organisations of different sizes:

“ My working hours are OK, you know, we’re quite a big organisation so we’ve got pretty much the resources we need. I think, when you talk to smaller organisations, I suspect it’s been more challenging because then, particularly chief executives, you know, and I’ve been in this situation, you’re more than just the strategic chief executive, you’re often the HR person and what have you as well, whereas we put all that in place.

Director

<sup>15</sup> Zero-hours contracts do not guarantee any minimum number of hours.



## 2.4 Pay and benefits

**Fair pay.** Community businesses often operate in sectors where low pay is endemic, such as retail and social care. A distinction can be made between the National Living Wage (statutory minimum wage set by the government for workers over 25, currently £8.70) and the real Living Wage (based on real living costs, paid voluntarily by employers, and currently £10.85 in London and £9.50 in the rest of the UK). Six of the eight case study organisations were paying the real Living Wage, although only two were accredited as Living Wage Employers.<sup>16</sup> Previous research has provided evidence for the business case for paying the real Living Wage, pointing to a variety of business benefits, including increased staff motivation and retention, improved relations between managers and their staff, and improved reputation of the organisation (Heery et al., 2017; Werner and Lim, 2017). Our analysis of the most recent SEUK data found that community business were slightly less likely than social enterprises in general to pay the real Living Wage (67% compared with 76%). A leader with one of the two businesses that did not pay the real Living Wage argued that they were aspiring to pay it, despite not being currently able to afford it. This organisation was able to compensate for this to some extent by offering other benefits, including annual leave that was more than the statutory minimum amount (see Box 8).

### Box 8: Good practice example – pay and benefits

Example of a community business aiming to compensate for the fact that they could not afford to pay the real Living Wage by offering generous holiday provision:

“

*There’s a purpose to why we do what we do and I think if it wasn’t meaningful, I don’t think we’d have the passion from the people that work here. I don’t think you work in the sector because they pay well, even though we’re aspiring to [...], we don’t quite pay the living wage. We give more holidays than anybody else in the sector, we give 25 days plus bank holidays, so we’re doing all the aspirational stuff, but I just think that even when [staff] didn’t have that we still had the commitment because people believe in what we do.*

Director

There was substantial variation with respect to participants’ views on whether they felt their pay was appropriate for the job, from those who felt their pay was “more than generous” to those arguing they were “incredibly underpaid”, depending on factors such as their skill level, experience, or time spent with the organisation. For those who felt underpaid, other dimensions of job quality, such as the meaningful nature of the job, the workplace culture, relationships with colleagues and management and flexible-working options, were the main reasons for participants choosing to stay with the organisation.

16 Accredited Living Wage Employers have been certified by the [Living Wage Foundation](#).

The following example provides further evidence on how those working in the third sector accept lower pay because of the intrinsic rewards and commitment to a greater cause (Dempsey and Sanders, 2010):

*“ We’re doing something that’s positive and constructive and it has a meaning, you know, like I said, rather than just going to work purely to pay your bills [...]. If I was rich I’d carry on doing what I’m doing probably for free because I’m enjoying doing it so much, I’m enjoying every part of it. The fact that I get paid and that it pays my bills obviously that’s important but that’s not the driving factor of when I go to work. You know, somebody would have to offer me a huge amount of money for me to walk away from this job.*

Employee

Loyalty was a strong feature across case study organisations and many participants explained that, even if a job with better pay did come up, they would be worried about losing the family-like workplace culture:

*“ It’s a very caring workplace and I have lots of fun. It’s a lovely team [...]. I mean 100 per cent honestly there’s been times, where I felt like I wasn’t being paid for the job that I was doing [...] I think that the sector has changed, and I think the pay grades in the sectors change a little bit too. [...] I looked for other things, and that kind of made me realise that actually there are jobs and other charity jobs in the local area, where the pay grade is more than what I’m on and the responsibilities seems to be less.*

Employee

Most participants who felt underpaid were also understanding of the role of the financial challenges faced by their organisation, and particularly in cases where leaders were known to be similarly underpaid. In one case, a newly appointed director had noticed that staff with comparable job roles were not always receiving the same pay, and was therefore planning to review the pay structure. One employee also raised the issue (in the context of the new director reviewing salaries) of serious underpayment in comparison to the private sector, and given that regular overwork was common:

*“ I don’t think it’s going to change very much because we don’t have that much money, but I think that the amount of work that we all put in, particularly those of us behind the scenes that don’t finish their job at five o’clock but come home and work for another three hours, I don’t see that we do anything differently to what large corporations do. And I would go as far as to say that the director does way more than anyone in a big corporation, because they have to do it all themselves, from fundraising to paying bills to proving impact, partnership working, all of that kind of stuff, and it’s very, very underpaid compared to big corporations.*

Employee

In another case, a staff member pointed out that dependence on grant income and the rules of the bidding process provided a key challenge for increasing pay in her venture. As in the previous example, she accepted that the result was lower pay in comparison to other sectors:

“ *Our pay rate isn’t that fantastic, but I also understand the challenges when trying to apply for funding. You request for higher pay and then somebody else has come in with a lower pay rate and they get it, because the funders are thinking ‘oh well, we could get the same amount of work from them and it’s not going to cost us as much’. [...] So it’s kind of just the nature of the beast really, isn’t it [...] and we wouldn’t want to risk not getting the funding in because then we can’t continue as an organisation so that’s a real challenge, how to balance that.*

Employee

This example demonstrates how funders can support community businesses to pay the real Living Wage by making it a requirement in funding applications (see Section 4).

**Importance of transparent pay structures.** A source of frustration among staff was a lack of transparency regarding salaries and particularly between colleagues with similar job roles. Finding out that a colleague was earning more for a comparable job was a source of tension in some cases. The same applied to employees who had been working for the organisation for many years and were not earning much more than new and often more junior staff.

## 2.5 Skills and development

**Good developmental and career prospects within the organisation improve motivation and retention.** Formal provision of opportunities for employee development and progression are particularly influenced by size considerations and likely to be more prevalent in larger organisations (Croucher et al., 2013). Smaller organisations often have limited opportunities for progression and recognition, although smaller community businesses in particular have the advantage of open and co-operative organisational cultures:

“ *There’s never been a clear map of progression or development whether that’s responsibilities, pay or things like status ... I guess it’s something you lose, in a way, when you have a flat structure which you are overall very [in] favour of – and the reason people take comfort from getting a promotion I think is because they feel like it’s been for something all that work ... that there is recognition.*

Employee

The case study organisations provided some great examples in this area, with measures to foster individuals’ abilities and strengths, and to ensure opportunities for continuous personal development (see Box 9). These efforts were much appreciated and praised by staff and had clearly increased their sense of recognition at work. There were also examples, however, of lack of recognition and career progression giving rise to dissatisfaction and having a negative influence on staff motivation. Recognition was also perceived as particularly important during Covid-19, and especially in relation to work in the community which could involve higher levels of risk (e.g. meeting face-to-face with clients), as well as being recognised as doing valuable work from home, even if not visible in the workplace.

According to the SEUK 2019 survey, community businesses were significantly more likely to have offered or funded any formal off-the-job or informal on-the-job training or development for employees than other social enterprises (58% vs 34.6%).<sup>17</sup> Although we do not know the proportions of formal and informal training respectively, formal training is more common in large organisations (Croucher et al., 2013) and this was also reflected in the case study businesses. We identified examples of both formal and informal training. The medium-sized and two larger small organisations provided formal training opportunities for their staff as required, and one had recently booked an online training course for its staff. However, informal training on the job, mentoring and supervision are often better tailored to the needs of the job and have the positive side-effect of providing developmental opportunities for those mentoring or supervising more junior and new staff; they can also strengthen staff relationships and thereby improve the workplace culture.

**Box 9: Good practice example – supporting staff development and career progression**

Our sample also included some great stories of former volunteers who had been offered employment and progressed within the organisation. For example, one former service user volunteer had received several promotions and shared how this experience of being perceived as valuable had boosted her motivation and self-confidence, and improved her mental health:

“

*It feels really positive, you know, I am in a position in the organisation now that I think, when I first joined, I never expected to be in. It’s been a steady process as well, this isn’t the first promotion that I’ve had; this is probably like the fourth or fifth something like that. [...] It’s that recognition, you know that actually you, you are ready and sometimes I’ve said to [the director] I don’t know if I feel ready for this next step and she’s like ‘no I think you are we’re going to take it and will support you in it’ because I can be a bit hesitant and can kind of lack self-belief.*

Employee

<sup>17</sup> Off-the-job training was defined as training away from the individual’s immediate work position.

## 2.6 Flexible working, work-life balance and family-friendly support

Good work needs to be compatible with employees' personal lives and responsibilities outside of work. Flexible working is often presented as a panacea for improving work-life balance. However, in order to result in mutually beneficial outcomes, it is important that flexibility is two-sided and genuinely responsive to the needs of employees rather than being employer-led, as is often the case in many mainstream businesses (Low Pay Commission, 2018). Our analysis of SEUK data showed that community businesses were overall more likely to utilise flexible working arrangements than other social enterprises (see Table 4). These flexible arrangements included both provisions that tend to be more employee-led, such as term-time working, as well as employer-led ones like zero-hours contracts and on-call working. However, none of our participants were on a zero-hour contract or on-call working arrangement.

Table 4: Flexible hours/working arrangements

	Community businesses	Other social enterprises
Flexible working hours	64.4%	37.6%
An annualised hours contract	29.0%	12.0%
Term-time working	25.4%	14.8%
Job sharing	23.9%	12.8%
A nine-day fortnight	6.9%	4.4%
A four and a half day week	17.2%	10.0%
Zero-hours contracts	16.9%	8.4%
On-call working	13.0%	6.1%
Other flexible working patterns	3.6%	0.6%
None of these	19.9%	9.2%
Don't know	0.3%	0.3%

Source: SEUK State of Social Enterprise 2019

Most of the case study organisations provided some flexible working options, depending on the nature of the job. For instance, in one case, the CEO related how flexible employment was provided to support those with caring commitments that they could “mould around the operational needs and their family life”, and how it contributed to good retention rates:

“*We haven't put on any formal benefits as such, but the flexibility if you asked them what is the best thing about us, it is that flexibility and the organisation's values and people is always on the top and, as I said, our retention rate is so high. I think we're doing something right instead of offering gym memberships and all that kind of stuff.*

Director

Covid-19 has had an important impact on flexible working options. In many cases, the pandemic had triggered a culture shift which resulted in the normalisation of flexible working arrangements (particularly working from home) that “would have been really frowned upon” pre-pandemic:

“*When I first met you I really wanted to be able to work from home one day a week. It was an idea I had that I could catch up on admin and would not have to travel so much and get a bit of balance in the week. [...] It seemed like it was going to be a real headache and then suddenly to be in this position when we were kind of all working remotely.*

Employee

Many participants stated that they had proven to themselves and their employers that remote working was viable for them and refuted assumptions around reduced work commitment. Instead, they argued that working from home had helped improve their productivity as well benefitting their work-life balance:

“*You're there to be there at nine o'clock in the morning, no matter what you do. And you leave at five and so no one ever worked from home before, even though I did loads of work from home, it was outside of the nine-to-five job, and so I do think that homeworking is one thing [where] the pandemic has helped. I think in our situation, it will be far more acceptable for somebody to work from home in the future than it has been, and for me when I very first started working from home, I was amazed at how much more I could get done in a very short period of time, because you can just sit down ... and the [workplace] is a really, really busy environment.*

Employee

In one case, Covid-19 had also affected the leader's perceptions of home working. In her first interview, pre-Covid-19, she explained that she was “not a fan” of home working, as she liked clear boundaries between home and work. However, by the time of the second interview her opinion had changed:



“ I have to say, before [the pandemic] I really hated working from home. I really like to keep work and home separate so it's been a bit of a challenge in that way, but it's actually really been quite helpful and I think I'll be much happier about working from home in future because I basically have learned how to do it. So yes, personally quite a big change, and then I think **more broadly across the organisation we have to retain the more flexible working approach**, and I mean I'm happy for staff, as long as they do their job, that they can work as flexibly as they want.

Director (our emphasis)

She further explained that the venture would have to continue its digitalisation process to facilitate home working and that this would also help those with care responsibilities to join meetings if a child was sick (see Box 10). Other organisations were also planning to maintain at least some of their new digitalised service provision beyond Covid-19 with associated impacts on working from home options.

This CEO also emphasised that it was early days for flexible working options in her venture and that she would have to do some advocacy work to shift the broader workplace culture to be more receptive of flexibility:

“ I think I'm going to have to push a little bit some of my colleagues and my senior managers to accept that. I think they've got a culture where they think if you're not in the office you're not really working and I don't agree with that, I trust people, and I think if you trust people they get on and they do their job.

Director



Many participants had also used the time they had saved by not having to commute for other activities, such as long walks, yoga or running, and reported increased work-life balance and physical fitness as a result (see Section 2.7).

**Box 10: Good practice examples – flexible working, work-life balance and wellbeing**

Examples of how working from home can help to fit work around personal lives:

“

*Working from home, I suppose, from an admin point of view, those admin things that kind of end up sitting on the to-do list for a long time when you're in the office, because you get distracted with one of the things that are happening, they probably get done quicker now because you are literally just sitting there. [...] During the first lockdown, working from home also allowed to better combine work, care and wellbeing: [...] [it] meant that I could say 'right kids, come on we'll go out for a walk half an hour', you know, get some fresh air which is a really good mental health facility to talk.*

Employee

“

*We have to [...] use Zoom and Teams that people can't come in [for a] meeting because they've got sick child well fine, I suppose maybe they can, maybe they can't join in a team meeting doing this. And we have got no reason not to allow people to do it now so I'm going to be really prodding colleagues, to make sure that they're not putting blocks in people's way unnecessarily for flexible working.*

Employee

However, remote working is not feasible in all service areas, for example if the job involves looking after livestock at a city farm or children in a nursery:

“ *Some of our staff just can't [work from home]. If you're a nursery worker, you have to be in the nursery looking after children between 8 and 5 o'clock, that's just how it works, but for other staff there's no reason why they can't work from home, sometimes.*

Director

There also is a concern that home working options mostly benefit those who already have higher levels of job quality overall, and that those in lower skilled and low paid jobs are less likely to benefit. At the same time greater flexibility may “come at the cost of peer relationships, training, learning or progression opportunities”. However, there are other family-friendly supports such as the opportunity to agree working hours that allow staff to fit their job around their personal lives, or to bring children to work regularly or in emergencies (see Box 11).

Working from home during the pandemic was perceived by many interviewees as having improved their quality of work as it allowed for better work-life balance, although some also noted that this benefit was sometimes at the expense of the quality of the service delivered to their user communities. Depending on the nature of the service provided, online delivery could often complement but not replace face-to-face delivery.

However, not everybody likes to work from home (see Section 2.7) and while some participants experienced home working as leading to improved work-life balance and wellbeing, others were keen to return to the workplace. Several also related experiencing depression and "dark periods" during lockdown, often caused by feelings of isolation, with negative impacts on motivation and productivity as well as psychological wellbeing. This highlights the importance of providing staff with options that allow them to combine productivity with wellbeing needs.

The interview evidence also revealed some worrying cases of overwork involving staff, volunteers and community business leaders. For example, one employee reported working regular hours in the workplace plus additional 'overtime' (i.e. unpaid) at home. However, working from home during Covid-19 had made it much easier for her to get her work done within normal hours. Another leader reported that he had been working a 60-hour week throughout the pandemic, and operating under high levels of stress. He realised that this was not sustainable longer term and shared how he was trying to unwind outside work:

“ Look, you're making decisions in very difficult situations. At times without any point of reference, right, and that's stressful. So yes, there have been times when I felt under pressure to make decisions when I don't have all the information I need to ... on the hoof. [...] Right, there is no support to bounce ideas or time to do it, and you need to make a decision and get on with it, so it's been quite a stressful time. And then I found my own ways to deal with it which is going for a walk, doing the cooking, going to my allotment, you know, and that's kept me sane and I've got some close-knit friends [...] and that's been helpful.

Director

Another leader related how she had managed to protect herself against excessive working hours and maintain the boundary with her personal life:

“ I think at the start I just accepted working longer hours and I'd have to respond to things at any given time and I again, I sort of accept that anyway, as part of the job of chief executive, although I do try and keep boundaries, because I think it's really again it's very important as a model and I know it's important for my own wellbeing really so I'd say I've been pretty good actually about keeping pretty decent working hours.

Director

#### Box 11: Good practice examples – family-friendly support

##### Example of bringing (grand)children to work regularly or in emergencies:



*We’ve always done it, for example, my daughter was two when I started here and she used to go into preschool and she participated in the holiday clubs; the girls in the preschool bring their kids, some of the staff will bring their grandkids. As long as our ratios allow ... [mentions children of a staff member] we don’t even know they’re here, they’ve got laptops. They’re great! What we used to do a lot with her [children], we’re doing some of the stuff like sweeping up outside and some of the little jobs and stuff while they’re here but, yeah, grandchildren and children have come, but [...] not during the lockdown.*

Director

##### Example of combining work and eldercare:



*In terms of work-life balance, I mean that’s why I’m going down to two days a week, because I don’t have children, but I have elderly parents and I want to spend more time with them, and I can I just don’t have the time, you know, to do what I’d like to do in the normal pattern of a four-day week job, so I’m hoping that going down to two days a week, and kind of helps me to, you know, tighten up on my working practices and it gives me three days or so to focus on other aspects of my life.*

Employee

## 2.7 Health and wellbeing

The case study research provides further support for previous findings (Stumbitz et al., 2018) on how community businesses are able to provide health and wellbeing support for staff and volunteers, as well as service users. Several case study organisations employed people with mental health needs or had them as a service user group.

Good work is based on ensuring there is a health and safety culture throughout the organisation, covering both physical and mental health issues. In order to ensure that employees and volunteers are not under excessive stress and can benefit from a sense of purpose in their work, it is important to understand the mental health needs of staff and to make sure that employees do not feel the pressure to show the same level of productivity every day (see Box 12). Community businesses in the study also noted the importance of recognising individuals’ needs and preferences when it comes to how they work. Good practice examples included providing flexible working options for those who feel it has helped them to improve work-life balance and health and wellbeing. Two organisations were also using volunteering as a way of delivering health and wellbeing benefits, and as a form of therapeutic rehabilitation for their clients.

## Box 12: Good practice example – health and wellbeing

Example of supporting staff with mental health needs:

“

*I found that with some of the volunteer and employment opportunities the responsibility you were given was quite daunting and actually that was kind of beyond what I was able to manage. And so I had to withdraw from a particular opportunity because, you know, it was too much. But [name of organisation] was always really supportive and if I wasn't able to be there, or if my ability to contribute varied from day to day, then that was perfectly OK. Actually, I found more and more that I could do lots and lots of things that I hadn't sort of believed that I could do anymore and didn't think I was capable of anymore and it just sort of really expanded my self-belief and showed me that I could do things again.*

Employee

Participants' accounts of their health and wellbeing at work over the past year varied substantially, and also depended on whether the organisation had continued to provide face-to-face service delivery in at least some areas of operation. Community businesses were required to rapidly respond to the changing health and safety requirements and guidelines due to Covid-19. Many participants reported concerns about contracting the virus and also worries about the health of their family members. However, diverging opinions on the appropriateness of certain health and safety measures at work, such as the use of face masks, could lead to tensions within the workforce. Resentment could also develop if staff felt they did not receive sufficient recognition for doing higher risk work. For example, one staff interviewee stressed that he would have appreciated more recognition for continuing to do face-to-face frontline work, not only from employers and colleagues, but also government.

The Covid-19 crisis has also provided considerable challenges for staff wellbeing, particularly for participants who live alone. Most participants claimed that their health and wellbeing had been negatively affected in some way and at some point (at least) over the past year. Participants spoke about feelings of anxiety, stress, isolation, feelings of unfairness, guilt and, as a result, depression and reduced motivation, particularly during lockdown, as illustrated by the following quote from a staff participant:

“ *I was not seeing anyone so I did feel quite disconnected from friends who obviously had their own struggles. [...] so [I felt] very connected to work, not very connected to other people; a bit lonely and isolated, but I think it also made the work harder at times because not having that release or something, not being able to look forward to meeting a friend or taking a holiday [...] which was completely OK but I think it [...] has an impact on your motivation to work and makes it a bit harder to get up and keep going when you're doing the same without break. [...] I'm trying to be noble, but I felt like I was putting the job before my wellbeing. [...] I kind of lost sight of myself a little bit.*

Employee



It is therefore important to recognise individual preferences and needs. Our study has shown that some employees prefer to get out of the house while others find it helpful to be able to work from home on occasion or regularly. As discussed in Section 2.2, some community businesses have also been very good at keeping in touch with staff during lockdown and had arranged additional meetings dedicated to non-work conversations to reduce feelings of isolation and lack of recognition for their work.

Participants also spoke of the benefit of having more time for physical pursuits and how this had helped their physical fitness and overall wellbeing over the past year:

“ So definitely, I have been wanting to, for quite a long time, improve my health and fitness quite a lot. I feel quite a difference to how I felt when I sort of met you. I think I was quite physically run down and sort of tired and feeling a bit out of shape and a bit exhausted. It's been easier to fit yoga, running, a bit of swimming in the summer, meditation ... it's been easier to fit those things around the day not having to do a commute. [...] At times I felt very lucky in the first lockdown because I could fit in a one-hour exercise.

Employee





## 3. Combining the dimensions and practices of good work

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### 3.1 Maximising the mutually beneficial outcomes

The study shows how even small changes in practice can lead to substantial improvements in working conditions in community businesses. We found that positive and mutually beneficial outcomes can be further increased by combining practices in 'bundles' that cut across the different dimensions of good work.<sup>18</sup>

Many of the individual good practices identified within the different dimensions are synergistically linked, so that community organisations can benefit from multiplier effects whereby a change of practice in one dimension has a positive influence on other dimensions and aspects of the business. For example, inclusive and collaborative decision-making can also facilitate productivity, innovation and responsiveness to user community needs, as well as beneficial effects in terms of staff wellbeing, recognition and development.<sup>19</sup> Similarly, increased digitalisation makes it easier for staff to work from home and to combine this with caring responsibilities (see 2.6 on flexible working, work-life balance and family-friendly support). Remote working and not having to commute long distances also provided opportunities for staff to make positive use of the time saved, such as for activities and physical exercise (see 2.7 on health and wellbeing). Positive outcomes across the seven dimensions were often found to translate into increased motivation and productivity.

### 3.2 Bundles of practice and reciprocity

Good work is about a culture of reciprocity, or 'give and take', between employers, staff and volunteers – i.e. staff and volunteers will be more likely to go the 'extra mile' if treated well. In our study we identified great examples of how good practices across several dimensions could result in particularly strong reciprocal behaviours within organisations. The most frequently stated reasons for employees staying in the job were the meaningful nature of the work in combination with a positive and supportive workplace culture. Covid-19 has put working conditions and reciprocity in community businesses to a serious test and yet we found examples of changes triggered by the pandemic had contributed to increased social cohesion and mutual support, as illustrated by the following example:

“*Meaningful work is where you have a sense of contributing to something bigger than yourself, whether that's somebody else's wellbeing or ... you know, it's all of the contribution stuff. [...] And being able to support people, wonderful, but actually having all of that in a network of open, honest warm relationships, that's a whole other kind of springboard to it.*

Employee

18 See Croucher et al. (2013).

19 See also Vickers et al. (2017 and 2021).

## 4. Conclusion and recommendations

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This report shows how community businesses are able to address many aspects of the good work agenda. Numerous examples were provided by our case study organisations of how good practice translates into beneficial outcomes for the business as a whole, employees, volunteers, and the communities they serve. The findings show how the distinctive features of the community business model – notably the prioritisation of a social mission and adoption of legal forms that enable community and employee ownership and control – also facilitate work that is meaningful, rewarding and fulfilling of other dimensions of good work identified in previous studies.

### 4.1 Pathways to good work beyond Covid-19

The Covid-19 pandemic has put community businesses to the test in unprecedented ways. At the same time, the work of community businesses has never been more crucial for communities and local economies across the UK. Experiences have varied substantially, with some community business thriving as never before, whereas others have had to reduce their service provision or close down altogether. However, Covid-19 has had an unexpected impact on all of them: if they wanted to continue, they had to rapidly respond and adapt to the new situation. In the first instance, most community businesses were fully absorbed by immediate challenges (or 'firefighting') and focused on keeping service users, staff and family safe while doing what they could to keep the business going. Many have also had to make difficult decisions about redundancies.

Many of the organisational and service delivery innovations introduced since lockdown were seen as positive changes which have helped community businesses to be stronger and more resilient (e.g. digital vs face-to-face delivery). The most successful of these innovations and adaptations are likely to be continued beyond the immediate context of Covid-19. Many organisations have also been compelled to reflect on their longer-term strategy. For instance, one case study organisation had developed a detailed two-year Covid-19 recovery plan that aimed to build on the organisation's existing strengths and ensure its viability over the longer term. The need for re-strategising provides important opportunities for 'building back better, and fairer' (Marmot et al., 2020a and 2020b) by embedding good work practices into the post-Covid plans of businesses and organisations across the UK economy. As one of the community business leaders in our study argued, "the pandemic is terrible [but] crises always provide opportunities to do things differently".

The responses of interviewees show how the pandemic has triggered reflection and changed attitudes towards work, what constitutes good work and, indeed, 'the good life' more broadly. In line with other recent research, our study demonstrated that wellbeing and work-life balance have become more important than ever in people's lives.<sup>20</sup> Many community businesses are planning to maintain digital service provision, albeit at a reduced level, while maintaining options for remote working and related benefits in terms of staff productivity, work-life balance and wellbeing. At the same time, prospects for improved job security and pay, the most challenging aspects of job quality for community businesses, may continue to be limited. This particularly applies if there is continuity of the public sector austerity conditions of the past decade and their uneven, but often negative, impacts on community services and infrastructures across the country (Gray and Barford, 2018; Marmot et al., 2020a). More positively, given that many of the good practice examples presented in this report were captured during the Covid-19 crisis, such practices should be even more feasible and desirable for wider adoption during more settled circumstances.

## 4.2 Recommendations

Our study has identified the steps that can help community businesses to deliver good work and volunteering opportunities while also becoming more financially sustainable and resilient. The framework provided can be adapted to organisations' specific circumstances and help identify the combination of practices they can aspire to provide, while staying financially viable and meeting the long-term needs of beneficiaries.

For community businesses and other organisations committed to support work that is decent and fair, the 'Pathways to good work' toolkit (see Appendix) sets out the practical steps needed. For organisation leaders and managers, the recommendations are that:

- Managers support all employees and volunteers to have positive experiences of work that is meaningful, with a clear understanding of how it benefits their user community.
- Contracts and job descriptions are designed to minimise precarity and to maximise security as far as is reasonably possible. This is often dependent on businesses being able to secure and demonstrate their financial viability over the medium to longer term, including through growth and diversification of their income sources.
- Community businesses strive to pay all staff the real Living Wage and provide wider benefits as well.
- Development of skills and experience is used to ensure a satisfied workforce and benefits in terms of service delivery for beneficiaries.

20 See Cheng et al. (2021) and evidence from the CIPD: [Impact of COVID-19 on working lives](#).

- Employees and volunteers are included in decision-making that affects their working lives and on organisational governance and strategy.
- Flexible working should be offered where possible to ensure jobs are open to all people and to support employee wellbeing and work-life balance.
- Ensure that all work is safe and that risks to health and wellbeing, including stress and overwork, are properly managed.

For funders of community businesses (foundations, and customers), the report recommends that:

- Funders commit to tackling low pay and poverty by ensuring that all their grants are sufficient to pay the real Living Wage and to offer 'Living Hours' (a guaranteed minimum of 16 hours a week unless the worker requests otherwise).<sup>21</sup> Funders can play an important role as catalysts for positive action by registering as [Living Wage Funders](#) with the Living Wage Foundation.
- Funders support job security after grants end by allowing organisations to retain surpluses as a safety net to tide them over, or by providing additional 'transitional funding' that allows organisations to retain skilled team members until further funding is available and thereby continue supporting their beneficiaries.
- Funders support good work through offering guidance and encouraging those receiving funding to publish evidence of good work practices.
- Funders support volunteering activity but also provide funding for paid internships that allows those unable to volunteer to gain the experience necessary to develop careers in the sector.

21 See <https://www.livingwage.org.uk/living-hours>

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## Appendix

### 'Pathways to good work'





# Pathways to good work:

## toolkit for community organisations

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Middlesex  
University  
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locality

the power of community

Work that is decent and fair is crucial to creating a motivated and skilled workforce that is empowered to deliver high quality services and to innovate. Community organisations are already delivering on many aspects of good work. This toolkit is designed to help organisations understand what good work is and improve existing practices by focusing on seven key dimensions:

1. Meaningful work

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2. Voice, democratic governance and inclusive culture

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3. Contracts and job design

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4. Pay and benefits

---

5. Skills and development

---

6. Flexible working, work-life balance and family-friendly support

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7. Health and wellbeing

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## What is this toolkit and who is it for?

[Locality](#) has been working with [Middlesex University](#) to understand good work, what it means for community organisations and how they are able to provide it for their staff. Researchers from the university's Centre for Enterprise and Economic Development Research (CEEDR) have carried out a study exploring how community organisations can implement and sustain the different dimensions of good work. You can find this study here. This toolkit is a resource for community organisations looking for a framework to start thinking about how they can provide this good work. The toolkit looks at each of the elements of good work outlining good practice and practical steps which employers can take.

## How can I use this toolkit?

This toolkit will be particularly useful for organisations taking their first steps towards providing good work and those wishing to assess and improve upon their existing good work practices. The seven dimensions and good practice examples provide a helpful framework for identifying both the areas where there is already good practice in place and those that need to be improved on. For other organisations, it can be used as a framework for organising staff wellbeing policies. It can also provide a common language for talking about the different facets of staff wellbeing and good work, and to demonstrate how this is provided within the organisation.

Woven into all of the seven dimensions should be an effective approach to diversity, equity and inclusion. Community organisations face huge challenges as employers especially when short of resources. This toolkit is an aid to identifying the practices that organisations can aspire to and how they can be combined for the benefit of the business as a whole and the community it serves.

“

I feel very lucky to  
be working here

(Community organisation employee)



## What is 'good work'?

Good work refers to both working conditions and job quality which are seen as crucial to creating a skilled and motivated workforce. We know that so many of the jobs that have been created over recent years have been insecure, poorly paid and precarious, with much debate about the 'gig economy' and the prevalence of zero-hours contracts.

As mission-driven organisations, community organisations should be well placed to provide something different: meaningful and worthwhile work, with secure working conditions, prospects for personal development and the ability of employees and volunteers to participate in decisions.

There are seven dimensions of good work which are set out above. They have been adapted from those used in other related studies, including the Chartered Institute of Personnel Development (CIPD) Job Quality Index used in the UK Working Lives Survey.

The idea of meaningful work was a key part of how many of the Middlesex research participants viewed good work. It highlights the importance of this as a feature of work in community organisations, achieving meaningfulness or having a sense of purpose by working to address a social objective. However, there is also the danger, as this toolkit explores, of employees allowing the meaningfulness of their work to overshadow other important aspects such as pay, job sustainability and health and wellbeing.

## Good work and economic resilience

Locality has long stressed the important role which community organisations play in local economies. The 2018 report '[Powerful Communities, Strong Economies](#)' highlights this. It shows how these organisations ensure that wealth they generate is redistributed in their neighbourhoods by employing local people, using local supply chains and investing in people themselves to become economically active. The quality of the local jobs provided is a key part of this case, but until now there has been limited evidence about what makes the employment opportunities created by community organisations distinct. The evidence in the research study shows that good work results in 'win-win' situations for both employers and employees, as it improves productivity, job retention, skills, motivation, work-life balance and health and wellbeing. These, in turn, improve the quality of services provided to beneficiaries over the long term and are an important aspect in improving the economic resilience of communities.



# Keeping up the good work beyond Covid-19

Since the onset of the Covid-19 pandemic in early 2020, we have seen the increasing importance of good work and the challenges which community organisations have had to overcome. Many community organisations will be looking at the aspects of good work which they may need to build into their recovery plans. Despite being an incredibly difficult time for communities, there have been some positive outcomes for working practices, such as increased flexible working and more attention given to the physical and mental wellbeing of staff. However, experiences of the pandemic have also revealed areas where organisations may need to think about further changes. Things like decent pay, job security and the impact the lack of these has on employees will be important and challenging, especially at a time of economic uncertainty.

So, as we move from the crisis response phase of the pandemic to medium- and long-term recovery, how can community organisations embed good work for staff?

Just as during the height of the pandemic, there are sure to be many unspoken questions and worries for staff. This will be true both through the reopening and the long-term recovery processes. Open communication will be key. Listening to the concerns and anxieties of staff will enable organisations to plan better and ensure that staff are looked after.

[Locality's blog on good work](#) emphasises that 'reflecting on what it means to be a good employer and maintaining trust has never been more important'. The seven dimensions of good work offer a framework for you to start thinking about how you can support staff through what continues to be a very uncertain and tough time.

## The seven dimensions of good work

This section lays out what good work means in relation to the seven key dimensions. It also highlights some good practice examples and suggests some practical steps which you can take towards achieving good work. We recognise that for many community organisations these elements of good practice may be aspirational. We also note that some of these dimensions are far harder to achieve good work in, particularly for smaller organisations with limited resources and flat structures. Within each of the dimensions we have included some thinking around using good practice across diversity, equity and inclusion.

# 01. Meaningful work

A key part of good work is having work with a sense of social purpose and value, as well as being engaging and stimulating.



**I think meaningful work is just anything that contributes to society [...] my job gives me a real sense of purpose and I feel quite proud of it.**

Community organisation employee

Many individuals working in community organisations highlight the increased wellbeing which doing good has at a personal level as well as the motivation which comes from knowing or seeing that you are making a difference. Community organisations, by their very nature, address the needs of the communities they are in. The meaningful work they provide for their employees and volunteers not only increases the resilience of staff but also the communities they serve.

## Good practice examples:

- Clearly demonstrating to staff the part that they are playing in meeting the needs of the community the organisation serves.
- Having regular conversations with staff – either formally or informally – to ensure that staff are still happy with the demands of the job. Are they learning and developing? Has their work become monotonous? Is the job still interesting and stimulating?
- Creating opportunities for staff to see and work in other parts of the organisation to help broaden staff experience, skills and development, as well as helping to better manage staff absence such as for sickness or maternity and paternity leave.

## Diversity, equity and inclusion:

- Ensure that staff are encouraged to consider all aspects of diversity in how they identify and meet the needs of customers/clients and work colleagues. This could be considering the accessibility of premises or about more carefully considering the language used by the organisation.
- Help staff to use their own lived experience in meeting the diverse needs of the communities they serve.

Democratic ownership and control is a core principle for many community organisations. It is important for employees and volunteers to feel empowered in their jobs and have effective channels to feed views to senior management and board members. Also key to good work are good working relationships, social support and cohesion. All of these things help to improve staff and volunteer motivation, retention and wellbeing.



**If anything, [the pandemic] has made us more empathetic of each other. Because we know more about personal lives and impact on people because they've been more open to tell us. [...] I think [relationships] have improved.**

Community organisation leader

### Good practice examples:

- Open communication is essential, and any challenges or concerns can be more easily resolved when open and honest conversation can happen.
- Peer support is often crucial to ensuring that employees and volunteers feel heard, and any issues are acted upon. Many organisations have been maintaining contact through the pandemic, by checking in on wellbeing through various means. This will be important to continue whether virtually or in-person.
- Collaborative team decision-making – giving staff a voice and opportunities to input into decisions is often crucial to resolving challenges as well as enabling service improvement and can increase staff motivation and productivity.

### Diversity, equity and inclusion:

- In thinking about communication take care to consider the diverse needs of your staff. How inclusive is your organisation? Do staff from all backgrounds and at all job levels feel happy to speak out?
- It can be the case that certain groups or individuals dominate peer-to-peer or team relationships. Think about how you ensure all views are heard, acknowledged and acted upon.

# 03. Contract and job design

**It is important to have certainty around the length and type of contract in order to achieve good work. While most employees would ideally prefer permanent contracts, organisations reliant on short-term contracts and grants find it hard to give permanent posts. Employees will often accommodate a degree of insecurity due to the importance they attach to being engaged in meaningful work or other aspects of job quality such as a friendly workplace culture, autonomy or flexible working conditions. Growing a business and having healthy financial reserves can provide the confidence needed to be able to support longer-term contracts.**

### Good practice examples:

- Permanent full and part-time contracts allow skill and experience to be built up for the benefit of the organisation and its beneficiaries, as well as stability and security for employees.
- Where there is no alternative to fixed-term contracts, flexibility can be provided by moving staff between departments or job roles, depending on funding streams and the direction of grant income. Moving employees around an organisation can have the benefit of employees learning about different parts of the business, increasing job variety, motivation and flexible deployment.

- Diversifying income streams can be a longer-term opportunity to reduce dependency on one type of income. This can help with financial resilience and allow permanent contracts to be considered. Reliance on grant-funding income has its problems with an uncertain funding landscape post-Covid, while the pandemic has also shown the precarity of relying on traded income.
- A balance should be struck in job design to ensure that employees are neither over- nor underworked, as both can result in reduced wellbeing and motivation. The [Living Wage Foundation](#) states that employers should aspire to provide a guarantee of hours which employees will be contracted to work and the right to a contract which accurately reflects the number of hours worked.

### Diversity, equity and inclusion:

- What are the varied needs and situations of employees in terms of job design and flexibility? Some staff may be willing to sacrifice certain aspects of a role in order to achieve greater flexibility, e.g. to look after children or for those with caring responsibilities.

# 04. Pay and benefits

While it is clear that there is great variation in the pay and benefits provided by employers in the community sector, many do offer the real Living Wage and many others aspire to provide it for their staff. Also important here is the transparency of existing pay structures, the lack of which can create tensions between employees.

### Good practice examples:

- All community organisations should aspire to become accredited [Living Wage Employers](#).
- Having transparent pay structures within an organisation.
- Aspiring to match the wages offered by other employers in comparable activities.
- Where this is not possible, offering other benefits beyond the statutory level can help compensate, such as extra annual, maternity and paternity leave. This also shows long-term commitment from the employer and results in long-term commitment from the employee in return.

### Diversity, equity and inclusion:

- Undertake regular analyses of pay benefits to identify gender, ethnicity and disability pay gaps.
- In developing other benefits think creatively around what different staff might find valuable and useful to ensure that benefits are not targeted at one 'type' of employee.

# 05. Skills and development

Employees and volunteers need to be sufficiently skilled to carry out their work and provided with development opportunities that meet their aspirations. Many community organisations focus on making good use of individuals' abilities and strengths. Ensuring that there are good career prospects within an organisation improves retention rates. This can also be achieved through recognition of the work that staff have done.

### Good practice examples:

- Access to both formal and informal training is important for employees. While it can be more expensive, formal training provides an opportunity for staff to feel that they are being invested in.
- Informal training, such as on-the-job training, mentoring or supervision can be a good option for community organisations. It is particularly well tailored to the specific needs of the job and has the positive side effect of strengthening staff relationships through mentoring and supervision.
- Existing staff taking on a supervision role for new staff can have an additional benefit of giving staff a feeling that their experience is being valued.

### Diversity, equity and inclusion:

- Keep records of training and development activity and analyse this to ensure that opportunities are equitable according to need and in particular pay attention to how these opportunities are spread across a range of diversity areas.



No two days are the same.  
It's interesting it's challenging  
it's rewarding.

(Community organisation employee)



## 06. Flexible working, work-life balance and family-friendly support

These include the formal and informal provisions needed for employees to work flexibly and ensure that work is compatible with their personal lives. Flexible working and working from home have become more common during the pandemic. Organisations of all types have found that flexible working can improve motivation, productivity and retention.



**We haven't put on any formal benefits as such, but the flexibility if you asked [employees] what is the best thing about us, flexibility and the organisation's values and people is always on the top and, as I said, our retention rate is so high. I think we're doing something right instead of offering gym memberships and all that kind of stuff.**

Director of a community organisation

However, this is an aspect of good work where there needs to be some caution. Employers should ensure that working from home does not mean employees are working unsustainable hours and being overworked.

### Good practice examples:

- Offering flexible employment to mould roles around operational needs and other commitments outside work. It is important that flexible working supports both employees and the needs of the wider organisation.
- Having conversations with staff to support them to work in a way which is best for them individually. This might be continuing to offer home working or flexible hours beyond the pandemic.
- Where remote working is not feasible in all parts of a business, other ways of supporting employees include agreeing working hours which are flexible, or allowing them to bring children to work regularly or in emergencies.

### Diversity, equity and inclusion:

- Staff from certain backgrounds may be concentrated in certain roles within your organisation and the provision of flexible working may not be as easy to arrange. What other benefits can you consider for these staff or can you organise different shift systems for example to allow for more flexible working?

# 07. Health and wellbeing

Work can have positive and negative impacts on mental and physical health. Good work is based on ensuring there is a health and safety culture throughout the organisation. In order to ensure that employees and volunteers are not under excessive stress and can benefit from a sense of purpose in their work, it is important to recognise individuals' needs and preferences when it comes to how they work. The pandemic has really exposed the importance of employee mental and physical wellbeing, especially when it comes to isolation and loneliness.

## Good practice examples:

- Providing flexible working options for those who feel it has helped them to improve work-life balance and health and wellbeing.
- Understanding the mental health needs of staff and making sure that employees do not feel the pressure to show the same level of productivity every day.
- Support employees to continue the health and wellbeing practices, such as exercise, meditation or yoga, which they may have started during the pandemic to use time saved by not commuting.

## Diversity, equity and inclusion:

- Recognise people from different backgrounds may have differing needs in relation to physical and mental health. There are well documented inequalities in health and wellbeing across different groups which you should be aware of in considering how to meet needs in the work context.

This toolkit shows how small changes in practice can lead to important improvements in working conditions and job quality for staff as well as for productivity and the business as a whole. We have also included ideas for how to consider good diversity, equity and inclusion practice in developing approaches to good work. All seven dimensions are interlinked and have crossover with each other. A positive change in one dimension can often have a knock-on positive impact on another dimension or 'multiplier effect'. For example, open communication can facilitate inclusion in decision-making, which in turn leads to a sense of recognition and increased motivation among staff, and translates into improved wellbeing, increased productivity and service improvement. Good work is about a culture of 'give and take' between employers, staff and volunteers – i.e. staff and volunteers will be more likely to go the extra mile for their employers, colleagues and fellow volunteers if treated well.

# What else is out there?

This toolkit has been tailored to the specific characteristics and needs of community organisations. However, there are also a variety of other initiatives and toolkits to help employers think about good work. These include:

## Greater London Authority

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- [Good Work for All](#) – one of the nine recovery missions. It is accompanied by a grant programme which all skills providers in the London area can bid for.
- [Mayor's Good Work Standard](#)

## North of Tyne Combined Authority

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- [Good Work Pledge](#) – the combined authority has been working on a set of five pledges aimed at helping businesses think about offering good work to the people of North Tyne.

## Greater Manchester

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- [Good Employment Charter](#) – a voluntary membership and assessment scheme that aims to raise employment standards across Greater Manchester, for all organisations of any size, sector or geography.

## Mind

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- [Thriving at Work](#) – six core standards to help employers think about mental health in the workplace. A toolkit with practical examples.

Locality supports local community organisations to be strong and successful. Our national network of over 1,400 members helps more than 307,000 people every week. We offer specialist advice, peer learning and campaign with members for a fairer society. Together we unlock the power of community.

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