Out of hours
Balancing flexibility and security in non-traditional employment contracts
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Introduction

The world of work is changing. Employees are increasingly using their rights to flexible work contracts and practices, such as term-time working, compressed hours, working from home. The other side of this coin is an increase in employers using flexible work contracts and practices to meet their business needs. Since the late 2000s recession the population in temporary work, on zero hour contracts, or working multiple jobs has increased.

‘Non-traditional’ contracts and forms of working are now commonplace, at the same time as demand for full-time and permanent jobs seems to be growing. The figure for those in part-time work has also been increasing, and there are now 6.8 million part-time employees. The number of people in part-time work because they are unable to find full-time work has more than doubled over the past decade, from approximately 600,000 in 2005 to 1.3 million in 2015. In addition, there has been a 58% increase over the past decade in the number of people in temporary jobs because they are unable to find permanent work. Currently 562,000 are experiencing this issue.

Chart 1: The increase in involuntary part-time and temporary workers, 2005-2015


There have also been increases in other types of non-traditional work and contracts. Over 10 per cent of employers use agency work whilst the use of shift work increased by over a quarter between 2004 and 2011. The Office for National Statistics estimates that over 744,000 people now work on a zero hour contract,

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1 Department for Business, Innovation & Skills, The 2011 Workplace Employment Relations Study First Findings, 2013, available [here](#).
an increase of 344% since 2010.² Of those on zero hours contracts, 41% are looking for more hours - significantly higher than the 12% doing so on other types of contract.³

**Chart 2: Proportion of employees looking for more hours**

![Chart 2](chart.png)

Source: Labour Force Survey, April-June 2015

Different sectors have also seen significant change; for example the use of shift work and zero hours contracts in education has more than tripled whilst hospitality, restaurant, wholesale and retail sectors have also seen large increases in the use of these working practices.⁴

**Chart 3: Proportion of businesses per sector using shift work for employees**

![Chart 3](chart.png)

Source: 2011 Workplace Employment Relation Study

All too often low pay and non-traditional working contracts and patterns can be found together, creating significant challenges for these workers. For example,

² Office for National Statistics, ‘Contracts with No Guaranteed Hours, Employee contracts that do not guarantee a minimum number of hours: 2015 update’, September 2015, available [here](https://www.ons.gov.uk).  
65% of zero hour contracts are found in the three of the lowest paying occupational groups.\(^5\)

Citizens Advice sees many clients with non-traditional contracts every year. Often they come to us for help with their entitlements to holiday, maternity or sick pay. The number of those coming to us with these issues has increased rapidly in recent years, reflecting the difficulty involved in understanding and using these rights, especially when the contracts are non-traditional.

**Chart 4: Rise in number of holidays, sick leave and sick pay issues brought to Citizens Advice**

![Chart 4: Rise in number of holidays, sick leave and sick pay issues brought to Citizens Advice](image)

Source: Citizens Advice Management Information, Q3 2013/2014 - Q2 2015/16

**Methodology**

In this context, Citizens Advice has been carrying out a programme of policy work to examine the nature of the issues faced by those on low-incomes with non-traditional contracts and often insecure work.\(^6\) This report describes the findings from qualitative interviews with 47 people on non-standard contracts, including:

- ‘Zero hours’;
- Fixed term or temporary work;
- Fixed hours plus;
- Habitual shift work;
- Agency work;
- Seasonal work; and
- Multiple jobs

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\(^5\) Office for National Statistics, ‘Contracts with No Guaranteed Hours, Employee contracts that do not guarantee a minimum number of hours’, February 2015, available [here](#).

\(^6\) The most recent report in this programme is Citizens Advice, ‘Second Choice Jobs’, February 2015, available [here](#). Further Citizens Advice policy research on the labour market is available [here](#).
They were recruited specifically for this project, and sampling was designed to ensure that these research participants represented a range of local labour markets, job-types, age, gender, household type and employer size. All research participants earned less than £15,000 per year before deductions. The interview covered their work history, experience of working in a non-traditional contract, and the impact of their work on their wider lives.

**Summary of key findings**

The findings that follow help to illuminate the state of work in the sectors of the economy where non-standard contracts proliferate. It shows a snapshot of a workforce who often have not chosen flexibility, but had it forced upon them for a variety of reasons. Participants in this research usually wanted traditional full-time or part-time jobs with set hours every week. However, they tended to lack the opportunity to move into jobs with more traditional contracts, hemmed in by a range of external and personal circumstances, including poor local labour market conditions, low skills or qualifications, the dominance of non-traditional contracts in their chosen sector, their own caring duties, or expensive and impractical childcare.

Some participants did find benefits in their non-traditional contracts, and indeed some were able to use the flexibility to their advantage to enable them to look after friends and family, or work fewer hours as they started or approached the end of their working life. However they often encountered a range of problems. At home, their flexible contracts and fluctuating earnings could made it difficult to:

- Manage day to day finances;
- Save for the future;
- Claim benefits;
- Have good relationships with family and friends; and
- Stay in good physical and mental health.

Overall, our participants felt a strong sense of insecurity, despite being in work and trying to do the right thing. Difficulties managing day to day finances and planning for the future were particularly acute for those who had no other form of income in their household. The experience of these participants suggest that it is unsustainable for a household to live solely on low and fluctuating earnings in the medium to long term without strong family support.

Participants also faced problems at work. They reported that a sense of agency and control over their working lives increased their wellbeing and commitment to their jobs. This research found four main areas where people on non-traditional contracts are at risk of losing that sense of agency. These are:

- The design of employment contracts;
- Shift and rota management;
- Knowledge of entitlements at work; and
Confidence in using those entitlements.

The research highlights many examples of the responsible use of flexible contracts by employers. However the experience of participants also suggests that those employers who are not using flexible contracts in the most appropriate or responsible manner face few consequences from this behaviour. This is either because their employees do not understand their entitlements at work, or are afraid to use them because they are worried about the consequences, and the difficulty they might face in finding another job.

It is important that employers take these issues into account, and do not exploit local labour market conditions by treating their employees poorly. Good practice in this area will also help employers with recruitment, employee engagement and retention.

**Next steps**

Citizens Advice will be using the findings from this project to develop practical, workable ideas for change with the most forward-thinking major employers. This work will focus on how employees, employers and government policies can work together to make life better for those on non-traditional contracts, in particular focussing on:

- How to ensure that managers and employees are better educated about employee rights in non-traditional contracts;
- Spreading good practice in flexible workforce management to minimise detriment to employees;
- Ensuring that the benefit and tax credit system is sufficiently responsive to the types of contracts and employment practices that are common at the bottom end of the labour market; and
- Ensuring that employees with non-traditional contracts are not discriminated against in the housing and other markets

As the labour market continues to change, and more people work flexibly and or work flexibly for longer periods of time, the findings reported here highlight the urgency of improving conditions and security for these workers, and ensuring that their flexibility is rewarded, not punished.
1: Choosing non-traditional contracts?

As described in the introduction, the use of non-traditional contracts has increased in recent years. The reasons for this increase are complex, but from an employer perspective the main advantage is increased competitiveness. Flexible workforce management allows companies to react to quickly to changes in the market. For example, a survey carried out by the Chartered Institute of Personnel and Development (CIPD) found that two thirds of employers (66%) agree that they use zero hours contracts because they need flexibility to respond to peaks and troughs in demand.7

However much of the debate around flexible contracts, and in particular zero hours contracts has focussed on the perceived benefits to employees. The Confederation of British Industry (CBI) has stated that:

“Flexible contracts provide opportunities for work and help people build careers. They offer a choice to those who want flexibility in the hours they work, such as students, parents and carers.”

This is certainly the case for many who take on jobs with non-traditional contracts. However, our research found a more nuanced picture. While some of our interviewees needed and appreciated the flexibility of their jobs, it was very rarely the key motivator in taking that job in the first place.

Chart 5: Drivers of decisions to take jobs with non-traditional contracts

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7 CIPD, ‘Zero-hours contracts: Myth and reality’, November 2013, available [here](#).
Why people take jobs with non-traditional contracts

While participants had wide-ranging set of work histories and diverse skills, what united them was low capital in the job market, either because they lacked skills or qualifications, or as a result of a stagnant local labour market. They generally found it difficult to find jobs at all, and few described the luxury of being able to choose between several. Older participants commented on the notable decline in the quality of jobs available in their local area compared to when they were younger. The table below illustrates the changes in the working lives of some of the participants in this research:

Table 1: Examples of moving from full-time or fixed hours work to non-traditional employment contracts

<table>
<thead>
<tr>
<th>Then</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time factory worker (26 years), made redundant</td>
<td>Multiple short hours contracts as a mini-bus driver</td>
</tr>
<tr>
<td>Various full-time retail and customer service roles including at a train operator</td>
<td>After break to have children, zero hours contract in care home</td>
</tr>
<tr>
<td>Full-time retail roles</td>
<td>Zero hours contract in retail, hours extremely variable</td>
</tr>
<tr>
<td>Full-time fashion retail</td>
<td>Driver for pizza delivery company on piecework contract and self-employed cosmetics salesperson</td>
</tr>
<tr>
<td>Full-time at a baggage handling company for 10 years</td>
<td>Airport baggage handler on a seasonal contract</td>
</tr>
<tr>
<td>Full-time management role for 25 years</td>
<td>Fixed hours plus at supermarket</td>
</tr>
<tr>
<td>Passenger service agent at an airport with fixed part-time hours</td>
<td>After break to have children, zero hours cleaner</td>
</tr>
<tr>
<td>Full-time role in a nursery</td>
<td>Zero hours home care assistant</td>
</tr>
<tr>
<td>Full-time PA and contract manager</td>
<td>After break to have children, 2 cleaning contracts: one fixed (low) hours and another zero hours</td>
</tr>
</tbody>
</table>

Non-traditional contracts as the new normal

The expected pattern of choosing flexible jobs to fit in with caring needs and study did not emerge. Instead a strong theme was movement between different poor quality jobs.8 When describing how they ended up in their current job, participants

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8 This echoes the findings of research by the Resolution Foundation which found significant “churn” at the lower end of the labour market, with 73% of low-paid employees in 2002 either consistently stuck
often stated that their previous ones were “even worse”, and that they moved because they wanted more reliable hours, less unsociable hours or more predictable hours. Their expectations of work conditions were subsequently low, and this seemed to be particularly pronounced among the younger participants. With such expectations, moving from a zero hours contract to one that guaranteed 8 hours was perceived as a very positive move, even if what the employee was actually looking for was a full-time role. Flexible contracts were often seen as the norm.

**Barriers to finding high quality jobs**

Some older participants were more critical of the types of contracts available to them, but they felt lucky to be able to find a job at all. This was particularly true of the handful of participants who had poor skills or qualifications, and a couple who had previous convictions and found it especially hard to find an employer willing to hire them. In a similar position were those (and there is some overlap between the two groups) who had experience of claiming JSA, who said that the feeling of “dole stigma” and what they perceived as the punitive culture of Jobcentres made them willing to take any job, even if the contracts or hours were not what they were looking for.

> “Between college and starting work I was on Jobseeker's Allowance. It was a nightmare. I was up to 9 actions a week. I couldn't apply for that many...there just weren't buses to the airport at 6 in the morning [to allow her to take some of the jobs on offer]. I took this one because I can walk to it.”

**Local labour market conditions**

Even the participants with more skills, experience or higher qualifications - who might find it possible to find a traditional full-time contract in a buoyant job market - were hampered by local economic conditions. A handful of participants were graduates who had resigned themselves to what they saw as ‘second choice jobs’, for example a zero hours contract in a fast food restaurant, where there was at least the chance of a promotion.

> “It’s harder getting a job than people imagine... I could probably get a different job round here through an agency, but an agency I still think is up and down - you're out of work then you're back into work...”

Locations for the interviews for this project were sampled to cover a range of different local labour market conditions, and in several of the areas participants said that it was almost impossible to find non-shift or full-time work. For example, one of our locations was Crawley, where Gatwick airport is the major employment...
hub, and participants who worked there - some of whom had done so for most of their working lives - said that airport employers offered flexible contracts only. Therefore in order to secure a traditional contract, our participants would have to look much further from home. For some in Crawley this may have been possible, but for our participants in more rural parts of England, finding a job within commuting distance severely limited their options. Poor public transport and the need to be within easy reach of home because of caring responsibilities were both frequently cited as reasons for taking on jobs even where the contract was thought to be poor.

**Sector norms**
Of course, our participants did sometimes cite positive reasons for taking their jobs. The most common of these was wanting to work in a particular sector or a particular type of work where non-traditional contracts are standard. Care work was the key example here; several female participants loved their jobs in the care sector and felt like they were making a strong contribution to society. While this did not necessarily mean that they were happy with their contracts and work conditions, for them the job satisfaction outweighed the low pay, insecure hours and long unpaid travel times. Others spoke about enjoying intrinsic qualities of their work such as being outdoors (gardening) or the sociability of retail work. However this was generally a reason for choosing a particular job within a sector where non-traditional contracts are more common, rather than a reason for choosing a flexible contract.

**Progression Opportunities**
Still others stayed in jobs with non-traditional contracts for the potential progression prospects. Some participants noted that all of the entry level staff in their organisation - generally in large retail or fast-food organisations - had non-traditional contracts. In this context, working on a non-traditional contract was a prerequisite to be considered for promotion to supervisor or into a managerial role.

**Choosing flexibility**
There were a handful of participants who did fit the ‘traditional’ model and had chosen flexible contracts to fit around their lives. Often this was to fit with caring responsibilities, although attempting to fit together caring and flexible contracts could be fraught with difficulty, as outlined in Chapter 2. In addition, non-traditional contracts were seen as a good option by participants with fluctuating health problems, provided they could find an employer who would be happy to let them turn down hours or shifts when ill. The case study overleaf illustrates this working well in practice.

One participant had chosen to retire from a high-stress role in management and had taken a non-traditional, ‘fixed hours plus’ contract at a supermarket to continue to earn a small amount of money and keep himself busy. This was one of
the rare examples among our participants of an individual who was wholly happy with his flexible contract, and this had much to do with his secure financial position and related confidence in asserting his workplace rights.

Case Study: Flexibility and ill health

**Background**
Ruby has fibromyalgia and asthma. Her condition fluctuates and she finds it very difficult to plan her life more than a few days in advance. She is often in severe pain, and she is also on medication for anxiety & depression. She used to work in a fast food restaurant but her disability meant that she couldn't always work when she was due to. This caused problems and she was subject to a disciplinary procedure, at which point she resigned.

**Employment**
She has subsequently found agency work doing clerical and receptionist duties for clients, and typically works two and up to three days a week. She likes getting out of the house and meeting people, and feels lucky to have found work that she can fit around her disability. She has total control over her hours and the agency she works for understands her health condition. They call whenever they have work available and she says yes or no based on how she feels. Some weeks she doesn't work at all.

**Impact**
Short notice working is good for Ruby and fits with her disability. She assumes it would be impossible to have a traditional job with her condition, and sees the agency work she has as key to maintaining her independence:

"I don't think employers are sympathetic to this illness because I look ok. But inside I'm not ok. But I don't want to be seen as disabled. I want to earn my own money"

Ruby is paid weekly and her earnings vary significantly, including weeks when she gets paid nothing. She lives at home, and her parents help her manage her fluctuating earnings by buying food and giving her money. While she has no debts, she also isn't able to save.

Financial motivations
Overall - and unsurprisingly - the primary motivation for most of our participants in taking on flexible contracts was simply needing the money. However, financial motivations varied in strength and type, and our participants could be divided into five overall types according to their financial needs. The segmentation below illustrates the fact that flexible contracts are not just the preserve of the stereotype of a young person with a zero hours contract Saturday job at their local high street shop. Non-traditional contracts are taken by people of all ages across different life stages who need income.
Chart 6: Financial motivations segmentation and typical demographics

**Top-up income**
Typical demographic: Middle aged and in a couple, homeowner

Participants in this category lived in relatively financially comfortable households, with another income or pension covering, at minimum, all essential costs. Wages from their non-traditional contract job generally acted as a ‘top-up’ to household income. While it would be missed, it would be possible for the household to survive without this income. This usually had positive implications for the individual’s sense of confidence in asserting rights at work, and, where relevant, ability to turn down shifts or extra hours.

**Necessary second income**
Typical demographic: Two-parent families with dependent children

Similar to the ‘Top-up income’ group described above, participants in this category had another relatively stable household income to fall back on. However, unlike that group, participants in this category needed the income from their non-traditional contract to cover at least some of their essential household costs. These participants tended to be anxious about their jobs, and their ability to get enough hours and contribute enough to the household income to keep their standard of living stable.
Tax credit tightrope

Typical demographic: One-parent families with dependent children

Participants in this category needed to work specific number of hours to ensure that they qualify for working tax credits, but also fit their working hours around their caring needs and school hours/childcare. They also felt that they needed to attempt to keep their hours relatively stable to avoid complications and delays to their tax credits awards. These competing demands often made flexible contracts difficult to manage. Ideally they wanted part-time jobs with fixed hours.9

Katie is a single parent with a two year old child. She previously worked in a nursery, but took her current job on a zero-hours contract as a home care assistant as she was “desperate” and needed a job outside of standard work hours so that her ex-partner and family could help out with childcare. She originally thought that she would have more power over the hours she works but this has not proved to be the case. She finds it hard to get the right number of hours each week to balance her caring responsibilities and the number of hours (16) she needs to work to be eligible for tax credits. She would rather a “normal” job but can’t find one.

“It is mentally and physically draining to have a job and still always worry about whether you are going to get enough money or not”

Predominantly job-reliant

Typical demographic: People of all ages without dependent children

These participants relied on their income from jobs with flexible contracts to cover all or almost all of their essential living costs. People in this group sometimes struggled financially, but less than those with dependent children as their living costs were generally lower. They tended to wanted more hours, or more guaranteed hours at work to feel more secure in their ability to meet their costs. Ideally they wanted full-time jobs.

Graham had a permanent full-time job with a logistics company for 10 years until he was made redundant. He then was on Jobseeker’s Allowance for 10 months before finding a seasonal job unloading airport baggage for 30 hours per week of shift work. His hours can vary between 16 and 40 per week. He hopes to be one of the small number of employees kept on at the end of the busy season in his work. He doesn’t mind shift work but doesn’t like being on benefits and is seeking full-time, permanent work.

“It’s a job, I’m happy to just go to work, get paid and come home”

9 Under Universal Credit, work incentives will operate differently for these groups due to the smoothing of financial incentives created by a single taper as earnings increase and decrease. However, this research suggests that this is unlikely to reduce the demand for stable hours, as participants generally expressed a preference for stable income (whether from work or tax credits, as it made it easier to plan).
Low housing costs:
Typical demographic: Young people still living at home

Those in this group paid either no rent or a much lower amount than they would if they were renting from a landlord. While they were not without financial worries, and often wanted more or more secure hours, they tended to be less anxious about making ends meet than those who had higher essential living costs. Their generally poor knowledge of their employment rights meant that they tended to be unable to utilise them effectively. However, they had more leeway to consider moving jobs than many other participants.

Looking for an alternative
All of the factors outlined above meant that our participants generally did not see themselves as having ‘chosen’ their jobs. Rather they felt that they needed to take a job, and the non-traditional contract job they ended up in was either the only one on offer, or the best of a bad set of choices. For the most part, these were ‘second choice jobs,’ with low household income ensuring that participants felt like they could not leave them. The exceptions were those in the ‘top-up income’ category and the handful who intrinsically enjoyed their work.

It is therefore no surprise that a striking number of our participants were dissatisfied with their current job and looking for a new one that would offer them more hours, more stable hours, or hours at less unsociable times. A strong theme was disillusionment, with participants describing how they had initially taken jobs because they had believed that their working conditions would be different than they turned out to be in reality, for example signing for a zero or low fixed hours contract on an assurance that, in reality, they would get more hours every week or month.
Finding new employment was no easy feat for our participants. Many lacked the time to actively look, but even those who were investing extensive effort in seeking alternative employment found they were unable to find jobs locally with working conditions or number/type of hours that they were searching for.

“It’s really difficult to find a job I’m either qualified for or have experience of. I’ve been looking for jobs online and through word of mouth for ages, but nothing seems to be coming my way”

Others described giving up on looking elsewhere due to a lack of trust in employers. They thought that all contracts tended to be insecure these days, and would therefore rather stay with “the devil you know.”

In this context, the following chapters describe some of the impacts of non-traditional contracts on participants’ lives, and illustrates the work conditions they experience. Where those impacts were negative or conditions poor, it should be borne in mind that most participants were sticking with their job either because they liked the type of work or for progression in the future, or, more commonly because would find it very difficult to find a better job.
2: The impact of non-traditional contracts on workers

As outlined in our case study report ‘Second Choice Jobs’, the challenges faced by those on non-traditional contracts are numerous. Our participants described the intricacies of balancing non-traditional contracts with their wider lives. While some did this with ease, for others that balancing act was a consistent struggle, with negative impacts on their households. The chart below illustrates the areas of life that were commonly affected, and they are described in detail in the rest of this chapter:

Chart 7: The impact on non-traditional contracts on employees’ lives

The biggest impacts tended to be on those whose number of hours was unpredictable, followed by those whose shift patterns were unpredictable.

“What we need is a four week rota so I can see what I’ll be doing in advance. I’d be well happy...I could plan, budget, see my family”

While other types of fixed shift patterns (e.g. working nights) did cause issues, participants spoke about adjusting to them over time. The main driver of most of the problems outlined below was insecurity (i.e. fluctuating hours and/or income). Many participants described a much-compromised ability to plan their lives. The case study overleaf illustrates a typical example.
As described in Chapter 1, participants in this research had a range of different financial circumstances. Those in the ‘Top-up income’ and ‘Low housing costs’ groups tended to struggle the least financially. However, those in the other three groups generally needed very strong budgeting skills to manage essential costs. For most of these participants part or all of their income was unstable week to week or month to month. This meant having to strategise about how to meet essential costs and ensure that they don't fall behind on essential bills.

Except for the handful whose partners had a relatively well-paid job or pension, our participants had cut all luxuries out of their budgets; for example they did not buy brands or aspire to holidays abroad. Housing costs, debt and utility bills are generally prioritized and paid first, with food or financial contributions to parents (by participants who were still living at home) cut back when necessary. Strict budgeting was required to pay for larger essential costs, for example home and car repairs. Our participants tended to be skilled at economising, and described

### Case Study: The challenge of planning on a fluctuating income

**Background**

After being made redundant after 26 years in a factory, Daniel worked as a private taxi driver before taking his current job, which involves multiple contracts with a minibus firm, doing school runs and social care work. He usually earns £200 - £220 a week, but can vary from £150 - £280. The school run provides some stability, but he still struggles:

“It's very challenging at times, you're counting down the days until that first day of the month when you have to pay your mortgage. I'd rather have a factory job and know exactly what I'm going to get. I've survived - it is a survival game as far as I'm concerned.”

**Impact of fluctuating income**

Daniel finds it really difficult to budget and plan for the future. His restricted access to credit means he can't deal with emergencies (e.g. a broken boiler) as they come up. His lack of secure hours in the medium term makes it difficult to make plans for the future.

“I'm not 100% confident I can plan anything at the moment, because, for instance, let's say the contract that I have is for three children have broken legs. Their broken legs are going to get repaired, so eventually they won't require a bus service. You're never confident you can have the contract for the entire year.”

He is entitled to a small amount of Working Tax Credit, but has found it difficult to manage the changes of circumstances process given how much his income fluctuates. He doesn't think he is entitled to holiday or sick pay, which makes him worried and means he doesn't take time off. While he tries to save as much as he can to mitigate some of this insecurity, he ultimately sees this working situation as unsustainable, and continues to look for full-time work to give him the stability he is looking for.

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**Household finances**

**Budgeting**

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detailed strategies for reducing expenditure on food, public transport, clothes and celebrations.

“[On the weeks when hours are cut back] when you go to the shops you just try to pay a little less”

“I just cut back on food. It's always food we cut back on”

Those who had some source of stable income (some fixed hours, a partner's income or tax credits) tended to use this to pay for housing costs and other bills, then use their less stable income to pay for the rest. Other mechanisms for coping with unstable income included stocking up cupboards and freezers or topping up pre-payment energy meters on weeks or months where there were more hours of work available. Participants often kept ‘savings’ to help them survive during weeks or months when hours were lower than usual. Having to use their savings in this way often meant that they were usually unable to save for medium and long term goals.

**Post-budgeting strategies**

Despite the strong budgeting skills they had developed, those with the most unpredictable hours or seasonal work struggled to consistently meet all of their essential living costs. Many relied heavily on support from friends or family or both, either financial or in kind. For example one young participant had his
mother pay the rent and bills. He would then give her as much as he could from his wages. Others borrowed from family members and tried to pay them back when they had extra hours.

“Without my parents, I don't know what I'd do”

“It's obviously not nice, no one wants to have to borrow. But my Nan is really good”

As the quote above illustrates, this could lead to strain on relationships and feelings of guilt. And of course not all had family members who could provide this kind of support. Other post-budgeting strategies described by participants included:

- Using doorstep lenders
- Using overdrafts and credit cards
- Selling belongings
- Claiming benefits when out of work due to illness

Day to day financial difficulties

Day to day financial difficulties were common for a number of reasons. A handful of our participants had not yet developed budgeting or coping strategies to deal with their unstable income. This was particularly noticeable among some of the younger participants, who said they felt it was completely impossible to deal with their fluctuating incomes. It was also true for those whose incomes fluctuated the most, for example those who could go whole weeks or months without work. In addition, many participants who had strong budgeting skills still encountered occasional periods when they weren't able to manage so well. Finally, changes to their work patterns had at times put strain on their ability to balance the books for some.

“I can't budget. I can't plan anything”

“You try to work around it [fluctuating income]. Just pay the minimum payments with everything, pay as you go with everything”

Whether these financial difficulties were one-off, time limited or consistent, they caused significant detriment to the participants and their households. They described problems including increases in unsecured debt and arrears on utilities, Council Tax and rent. Several younger participants had to leave their rented accommodation and move back in with parents when they could no longer keep up with their housing costs.

The pattern that emerged was that where insecure income from jobs with non-traditional contracts formed the main source of household income, it was extremely difficult if not impossible to make finances work on an ongoing basis without running into debt or arrears. Only those with some stable income or
consistent financial support from family members could balance the books in the
medium to long term, and even then this was a struggle where costs were high, as
illustrated in the case study below:

**Poppy**
Poppy has two children aged 1 and 3. Her husband works full time, as she did
before her first child was born. They were struggling to pay the mortgage on her
husband’s salary so she took on some evening care work. She would like to do
more hours at this job as she really enjoys it, but she cannot work daytime hours
as it would be impossible to arrange childcare around an entirely erratic
schedule. So instead she has taken on a night-time cleaning role where the
hours are low but stable week to week, and flexible enough to fit around the
care work (she cleans one office every evening).

Her variable care work hours mean that she finds it very difficult know how
much she is likely to be paid at the end of the month and to budget accordingly.

“It worries me sick thinking will I cover everything this month”

They have always managed to keep up with the mortgage and rent, but see
themselves as just “getting by”. Her partner is paid on 25th she gets paid on 15th.
They go overdrawn but then her earnings help to clear the overdraft. All of the
priority bills are paid first thing once her husband gets paid. Then they try to
juggle everything else from her earnings throughout the month.

When they had a minor car accident, they had to make do by not repairing the
car. They borrow money from their overdraft when necessary. They use their
credit cards much more heavily than they have ever done before. While the
sums are relatively low (below £1,000) it is a constant source of stress. They can’t
save and they have no money put by for any unexpected costs. Poppy is worried
they may not cope over the medium to longer-term.

“Somehow - we have always just coped. But it is a constant struggle.”

She would benefit hugely from guaranteed hours at her care job. That way she
could budget better, and potentially work during the day, if hours were stable
enough to allow her to organise childcare at set hours.

**Long term financial health**
There was a feeling among participants that long term financial planning and long
term financial health are not possible on a non-traditional contract. When it came
to money, they tended to live in the now, as covering costs week to week and
month to month took up much of their time and energy. Typically, our participants
avoided debt and had little or no savings.

**Savings and pensions**
Planning for the medium and long term was very difficult for participants. The
need to develop strong budgeting skills meant that many participants were very
skilled financial planners, but only got to put those skills to use over the short
term. While they aspired to save for the future, in practice this came into conflict
with spending on essential living costs, servicing debts or covering periods where they worked fewer hours at work.

“I can’t afford a holiday. I can’t splash out and I can’t save”

Where costs were low or there were other sources of income or financial support, some saving for the future was possible, although the amounts involved were relatively small. Pensions were generally not a priority for participants, although some had been auto-enrolled through work. A “proper” pension was a motivation to find a full-time permanent position for some.

Debt
Across ages and household types, participants were generally very debt averse. They knew that with their fluctuating wages it would be hard to make regular repayments, and as a rule tried to not take on new debt. Some said that they knew they would not be seen as a viable credit risk due to their insecure incomes. Others had had problem debt in the past and were determined to not repeat their mistakes. However many were stuck with debts including loans or mortgages from before they worked in their current jobs, tax credit or benefits overpayments and court fines. This debt was prioritised even over other important or essential costs.

There were some examples of reliance on credit cards or payday lenders to pay bills during weeks or months with few work hours, pay essential costs or to pay for Christmas or a small holiday. This tended to be an unsustainable solution, as it led participants into a spiral of debt, as illustrated in the case study below.

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**Case study: Debt and fluctuating income**

**Background**
Claire delivers food for a takeaway restaurant and is also a self-employed cosmetic salesperson. She single mother with multiple jobs. She works at a restaurant delivering food between 3 and 20 hours a deals with unpredictable hours by working more or less hours on her self-employed selling. This allows her to keep her hours and thus income from tax credits more stable.

**Keeping up with debt repayments**
She is heavily in debt after losing her job in 2011. She had credit and an overdraft and has found herself falling further and further behind. She always prioritises paying the rent but the rest of her debts feel like they are spiralling out of control.

“I am always behind... every month I get more into debt. My disposable income is a minus so I can’t enter into a debt management plan”

Some creditors are quite understanding, but some try to push her into unsustainable arrangement. She is most worried about her Council Tax debt. She makes a payment every month but knows she isn’t paying enough. The fact that she is paying something has, so far, been enough to avoid any legal action.
Managing claims to benefits or tax credits

The low income levels of our participants meant that many were claiming or entitled to claim benefits or tax credits.

Underclaiming

Knowledge of benefits and tax credits was variable but often poor, which meant that a number of participants were not claiming benefits that they were potentially entitled to. This was generally linked to a perception among some - usually older - participants that benefits are only for those who are not in work. As a result, they had never looked into whether they were entitled to any. For example, one participant had never heard of tax credits until a friend mentioned them to her recently. She is now receiving £72 a week, an amount she would have been entitled for several years, but that cannot be backdated.

“I've never been out of work, except to have kids, so wouldn't know how to go about it [claiming benefits] to be honest.”

Keeping claims up-to-date

For those who were claiming, benefits made a big difference to their sense of security, although they usually felt that income from secure employment would be better still. Housing benefit was particularly powerful in this regard, allowing people to feel secure at least in relation to their housing costs.

However, for those with fluctuating earnings, benefits and tax credits were a double-edged sword, with overpayments due to fluctuating earnings and difficulties recording change of circumstances a common theme.

“I was getting some benefits [Income Support and Carer’s Allowance] and earning some money. They didn't know how to deal with it when I called them to tell them my earnings change every week...benefits are not worth the hassle.”

In general claims to tax credits involved less reporting than housing benefit, which reduced the administrative burden on claimants. However, participants thought that tax credits claims could very easily “go wrong” or “get messed up”. Several said that they need to try to keep their work hours (and thus income from work) relatively stable in order to keep their income from benefits secure and consistent, at either 16, 24 or 30 hours depending on the household circumstances.
Extra hours and benefit claims
There was also confusion over how extra earnings can affect benefits and this sometimes led to a lack of belief in the value of working extra hours. One participant with several dependent children had even been to see Citizens Advice to get more information, and had come to the conclusion that the system itself is simply too complicated:

"It should be clearer - if you work this much, you'll get this much benefits."

Indeed it was relatively common to see the benefits system as ‘penalising’ those who take on extra hours. Many said that they had not felt any benefit from doing extra hours or shifts in the past, due to how extra income affected their benefit claims. For example one single participant described his income as follows:
“If I earn over £1000 [by doing more than 30 hours], I'll get £120 taken off me and I come back out with what I would have earned if I'd only done the 30 hours. What's the point in working really. I'm working all this extra and it's getting taken off of us”

For this participant, the combination of taxable income and withdrawal of working tax credits made working more hours seem unattractive. While it is unlikely that this participant was facing a 100% withdrawal rate on all income above £1,000, this was his perception, and the result was that he did not work extra hours even though he wanted to earn more money, and was very keen to not be dependent on benefits in any way.

**Benefit overpayments**

Benefit overpayments were common due to fluctuating incomes, and in some cases confusion over reporting requirements. Given the financial insecurity faced by many participants, this could add serious strain to household budgets, and a sense of injustice where they could not understand the cause of the overpayment, or thought it was not their fault.

“"I had to pay back around £30 a month [in tax credits] and I only had £100 a month coming in. It was a nightmare to make ends meet”

A history of overpayments tended to have a big impact on willingness to work extra hours. There was a real sense of fear among those participants of upsetting their finely balanced incomes, and this was often in conflict with their desire to earn more money through work, or be flexible when their employer needed it.

"I covered for a lady's holiday and did 5 shifts a week [instead of 4] for a while, and I really got into a mess...I got overpaid and couldn't pay my rent and I owed about £400 to tax credits. I had to pay that back at £25 a week as well as catching up with the rent. Now I just say I can't get childcare so I can't work to avoid the problem"

**Universal Credit**

Some of the benefits problems described here could be potentially mitigated in the new Universal Credit system, if the system for gathering Real Time Information from employers works efficiently. However it is likely that even if the system becomes more responsive, work incentives may still remain confusing for those with fluctuating hours. The strong preferences voiced by our participants suggests that it is also unlikely that the Universal Credit system would reduce the desire for secure and stable income both from work and from benefits.

**Planning home life**

While non-traditional contracts did on the whole make it difficult to plan and manage money, impact on home life was much more mixed. For some, the hours
they worked in such contracts enabled them to make commitments that wouldn't be possible if they worked full-time or office hours. For example, one participant who worked nights in the local airport found that he was able to spend more time with his children immediately after school, then go to work while they were in bed. Another said that her and her partner enjoy working different hours as it enabled them both to have some alone time when they need it. Those working longer shifts tended to enjoy the opportunity it gave them for more days off or more full days with their children or grandchildren.

Pressure on family relationships
However, for some of our participants, working flexibly did put pressure on their home and personal lives. Unpredictable hours and/or long shifts often made it difficult to spend enough time with family members:

"I don't spend enough time with my husband or my son. It causes problems between me and my husband. But I've just got to do what I've got to do to get money"

Younger couples and those with dependent children tended to be more likely to report problems including strain on relationships, difficulty balancing work and childcare, arguments caused by financial unpredictability, and difficulty planning family life, both day to day and for the future. One couple had split up as a result of the financial strain of trying to keep up with bills on two variable incomes. While they had an understanding landlady, ultimately their Council Tax arrears and mounting credit card debt became unsustainable, and they both moved in with their parents again.

Case Study: Strain on family life

Background
Anna works in care and lives in a rented house with her husband and four children. She took this job when her husband was made redundant. She is on a zero hours contract but never works less than 14 hours per week, generally works around 24, and can work up to 40. Her schedule is very unpredictable and she can be put on the rota to work without being asked when they are busy:

“They could ring today and say, Anna, could you please do this tonight? They can ring when you’re at work and say, can you pick up some extra calls [i.e. go to more houses]...I’ve never had my wages be the same every month”

Impact on partner and children
This lack of stability means that it is hard for her partner to find work that fits around her work and the four children, which frustrates him. In addition, the large amount of money she spends on petrol to get to work and between houses at work causes arguments with her partner, as does her tendency to always accept overtime.

Work hours also affect their family and social life. They can't plan anything in advance, even at weekends. She feels like the children “miss out” because they have little routine. For example, she can't guarantee she’ll be available to transport them to and from their clubs (public transport is poor in their local area), so they can't join. They often have to try to find someone to look after the children at short notice for even small commitments, like her husband’s football practice. Anna herself has given up on any commitments outside of work.
Balancing work and care

While our participants tended to be accepting of some of these issues, seeing them as simply a “part of life”, some did reflect on the fact that their workplaces could make things easier for them through more efficient rota management and long term workforce planning. For example, one participant - a single parent also on a zero hours contract - described how she had asked her employer repeatedly to avoid scheduling her on Tuesday nights (when she would have no childcare) and Friday nights, when she wanted to look after her grandmother to give her grandfather some respite. Despite this, she was quite often asked to work on these nights, and felt that she couldn't say no as she was worried this might lead to her having her number of hours reduced. This issue is explored in more detail in Chapter 3.

Managing the balance between care responsibilities and work was a particular issue for some female participants. They were often under a lot of stress because of the regular trade-offs they had to make. Turning down work or particular shifts because they couldn't find or afford childcare (or care for elderly or ill relatives) was sometimes the only available course of action, but felt fraught with long term risk. Relatives and friends who could help with childcare made things easier, but this tended to result in extremely complex childcare arrangements that were fragile, and made participants feel even more insecure, as a result of their dependence on the goodwill of others.

Social life

Impact on social life and wider family life could also be pronounced. Those with more stable hours or rotas that were worked out with a lot of advance notice found it easier to see friends and relatives with some regularity, and even to plan holidays and short breaks with some certainty. Other participants spoke about how difficult it is to keep up friendships and be there for family members when you have little control over your schedule, and how that made them feel lonely and sometimes guilty. Many had friends and family members who worked in similar jobs, adding to the difficulty of coordinating time off.

“I can't remember the last time I saw my sister, but it's my daughter I feel the worst about; I just can't get to see her. Our shifts never work in the middle anymore...I feel guilty about that”

“Visiting people [her father and stepsisters in a different part of the country] and spending time with family is difficult, because I can't get the time off”

Many also saw a social life as impossible given their unpredictable or unsociable hours and low pay. As outlined in previous sections, the pressure to save in ‘good months’ or ‘good weeks’ was high, so participants felt they couldn’t treat themselves by socialising even when they had been working and earning more
than usual. In addition, the pressure to take extra hours when on offer was also intense.

“If I’m trying to get that bit extra [work], that’s my weekend basically kaput”

“If I’m lucky that I live in a shared house otherwise I wouldn’t see anyone other than the people I work with”

This resulted in feelings of isolation for some, particularly younger participants who felt “left out” of their social circles as a result. Some mentioned that they had lost friends through their work-related inability to keep plans. The exceptions were those who worked in areas where a lot of people worked shifts, where the local nightlife and socialising opportunities were more amenable to their work patterns.

Physical and mental health
As outlined in the previous sections, non-traditional contracts and flexible work can add extra pressure to everyday life by reducing economic security, putting strain on relationships and making it difficult to plan ahead. Participants also described a range of impacts on their physical and mental health including:

● Difficulty managing existing health issues that require routine
● Chronic stress and anxiety
● Intermittent stress when not getting enough hours of work
● Difficulty sleeping after long shifts or night-time hours
● Difficulty managing late shifts (usually older participants)
● Tiredness and exhaustion

A small number of participants worked in high pressure organisations with very stretching targets. Combined with unpredictable hours, this left them very anxious. For others, it was the combination of a stressful home life and work life that left them struggling to cope.

“It drains you when you don’t know what you’re doing from one week to another”

“I have become a really nervous person [due to feeling a consistent lack of control over his life]”

By contrast, several older participants - particularly those who were less financially dependent on income from their job for essentials - described the positive psychological impacts of working. One who had previously worked as a manager in a professional role found his supermarket job “relaxing” and said that it allowed him to “switch off”.
Some employers were seen as very helpful, allowing participants to change hours or specific tasks to better accommodate health issues, or time off for medical appointments. Others were less so, and made it difficult for participants to manage their health conditions, or that of their family members. For example, one mother describing how it was impossible to organise hospital appointments for her son around her variable hours.

Insecurity

The problems described in this chapter are all functions of insecurity. The impact of insecure incomes and hours could be mitigated through careful strategising and planning, and through families and friends supporting the individuals financially or in kind. The sustainability of such arrangements was not always clear, and for many of our participants, small changes to their working patterns or patterns of pay could hugely boost their sense of security. Their ideas for doing this are discussed in Chapter 4.

Case Study: Insecure work and mental ill-health

Background
Sarah works at a high street coffee chain on a fixed hours plus contract. Her mother and brother are both unwell and as a result her caring and financial responsibilities are unusual for a person of her age. While she did not want to take her current job, she felt that she had no other option. She had had a poor experience of trying to combine Carer’s Allowance and work which ended in overpayments. When she moved onto JobSeeker’s Allowance instead, she found it impossible to keep up with the number of jobseeking actions required of her.

Balancing work and mental health
Her work conditions often increase her anxiety. She has little control over her hours, and thinks that her branch is poorly managed. Her mother’s illness has added to her stress, but she doesn’t feel able to tell her employer about the impact this is having on her mental health:

“I don’t feel able to say I didn’t feel well enough to come in. When it’s mental there is a stigma. Anyway it’s in our contract now. We recently had to sign something to say we’d come into work in the right frame of mind.”

On top of this, she worries that her absences will cause her to lose her job, as her employer manages sick leave on a percentage basis, where any absences over a threshold trigger a warning to be recorded.

“They tried to do that to me when I first started. I had 3 days off and they tried to fire me because I was over my percentage”
3: Responsible use of flexible contracts

Participants reported that a sense of agency and control over their working lives increased their wellbeing and commitment to their jobs. This chapter highlights four areas where people on non-traditional contracts are at risk of losing that sense of agency. These are:

- The design of non-traditional employment contracts;
- Shift and rota management;
- Knowledge of entitlements at work; and
- Confidence in using those entitlements.

It also offers examples of the responsible use of flexible contracts by employers.

Chart 8: Employer good practice and barriers to agency and control at work

**Good practice**

- Providing literature about entitlements
- Taking employees circumstances into account where possible
- Offering employees choice of shifts and opportunities to informally swap hours
- Organised, formalised and early shift planning
- Ensuring contracts match hours worked

**Barriers to agency and control**

- Poorly designed contracts/mismatch between contract and hours worked
- Unsympathetic shift and rota management, last minute changes to hours
- Poorly informed line managers
- Low knowledge of false assumptions about entitlements
- Fear of using entitlements/difficulties using them

Design of non-traditional employment contracts

Employment law is extremely complex, as is determining the type of contract people are on. It is not unusual to have to go to employment tribunals to get a final decision on a person’s employment status. Even for experienced employment advisers, determining employment status and therefore entitlements can be difficult. Therefore it is unsurprising that participants were often unsure as to the type of contract they were on, and their entitlements at work. For example, participants sometimes said that they were on ‘zero hours’ contracts (which would
mean that they technically count as a ‘worker’ and have different employment rights to an employee), but their description of the employment arrangement implied a mutuality of obligation that suggested that they may be employees, rather than workers. Responsible employers will endeavour to design contracts such that they match the work duties undertaken, and, where possible, are appropriate to the personal circumstances of their employees.

**Good practice**
Among the research participants, there were examples of contracts well-designed and working as intended. Those who worked for agencies or who carried out habitual shift work tended to be happy with their contracts, and found that they were able to turn down shifts or switch shifts at short notice and without worrying about whether they would get work in the future. A handful of participants with zero hours contracts were also able to use this to their benefit by working flexibly around their other commitments, while also still meeting their employers needs. This was to a certain extent dependent on the nature of the work, but also seemed to be heavily influenced by the attitude of the employer, and their willingness to incorporate employees’ circumstances into their rotas and workforce management.

**Contracts and morale**
Some of the participants in this research were on contracts which did not match the hours or tasks undertaken, which they found frustrating and unfair. This was particularly common among those on zero hours contracts (see next section) but was not exclusive to this group. There were examples where participants on low fixed hours contracts regularly worked considerably more hours than they were contracted to. When their working hours increased, participants found that their contracts were not updated to

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**Case study: Multiple jobs and flexible employers**
Emma is a lone parent with two children needed a job that was flexible in terms of shift patterns. She works two jobs, a cleaning job during the day and a bar job in the evening. Both employers understand her caring responsibilities and accommodate them as much as possible. Her cleaning employer allows her to work at whatever time of day fits with her care hours. It’s never been difficult to turn work down and this gives her peace of mind.

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**Case Study: Mismatch between hours worked and contract**
Jane works for a large retailer while she carries out an apprenticeship to become a teaching assistant. Her hours are set at 10 per week but for the last 4-5 months, she has been working 30 hours per week. The “threshold” for receiving entitlements such as sick pay and holiday pay is 20 hours per week, so she feels it unfair that she is working more than that doesn’t have an appropriate contract to reflect this.

“If I take a week’s holiday, I only gets paid for 10 hours work. Not for the 30 that I’d work in any other week! It’s a bit unfair.”
reflect actual working hours and offer better entitlements. Other participants thought that their hours were more variable than they needed to be, and wanted contracts that guaranteed a set number per week to force their employer to change the way they allocate hours.

It was clear that these participants were more unsatisfied with their working conditions because they felt like they were part of an arrangement that was very heavily stacked in the employer’s favour. They felt unable to exercise the flexibility that these kind of contracts should allow, and it resulted in a feeling that their work was undervalued, and in some cases in bitterness towards their employers.

Some of these participants enjoyed their jobs and did not want to leave or weren’t actively looking. Instead, they wanted to be on contracts which would give them more security and stability. Those who had fixed hours contract provided tended to be happier in their jobs, felt better able to plan, and felt more financially secure. This reflects wider research on the positive links between happiness at work and productivity.10

Finally, there were examples of contracts that did not take account of employee circumstances such as other employment, health conditions, caring responsibilities or childcare arrangements. While participants generally did not expect their employers to be able to take their personal circumstances into account at all times, those with employers who showed willing in this regard - for example by allowing employees to specify days when they would not be able to work - tended to be happier at work and have fewer problems in their personal lives as a result.

**Zero hours contracts**

Normally, where there is a zero hours contract in place, there is no obligation for employers to offer work or for workers to accept it. Therefore all workers on zero hours contracts should have the ability to turn down shifts at short notice without worrying about whether they would get work in the future. However the experience of many participants on zero hours contracts was that there was an expectation that they should take all shifts when offered, even if it was difficult for them. This led to feelings of an imbalance; a sense that their contract was weighted too heavily in favour of the employer.

“As I’m on a zero hour contract, I’m not sure what the laws are, but I was under the impression that I could tell them when I want to work and when I don’t. But I said for what must have been 3 months that I don’t want to do Tuesdays or Fridays, but they kept stringing me along and I felt like I couldn’t turn down the shifts.”

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10 For example, see Andrew J Oswald, Eugenio Proto and Daniel Sgro, ‘Happiness and Productivity’, 2014, available [here](#).
Others on zero hours contracts had a different problem. They were available to work various shift patterns but were given the same time and amount of hours each week, making them feel that they should be on a contract which better reflected the constant or regular work that they undertook.

**Shift and rota management**

Complex staffing structures require sensible and efficient management of rotas in order to minimise the negative impacts of flexible workforce management on employees. Most of the participants in this research were on a rota system. Even if some of their hours were fixed, they usually were assigned extra hours at relatively short notice. Some also needed to be available to provide cover when colleagues were not available.

The amount of notice of work given to participants ranged widely. Weekly was common, with many only receiving notice of their shifts on the Friday or even the Sunday before the beginning of the week on Monday. While some workplaces had online rotas that employees could log in to check, others relied on more old-fashioned methods such as a noticeboard in the canteen or telephone calls.

“On a Sunday night they call me and tell me when I’ll be working. It’s rubbish”

Participants often questioned why their employers didn't plan over a longer time period, and indeed those who got their rotas for a month or several weeks found it much easier to plan their finances, home and social lives. A handful had recently moved from daily/weekly to longer term planning, which indicates that where there is a will at management level, this is possible.

**Good practice**

There were many examples from our participants of good practice in rota and shift management. Some of these were appropriate only in specific sectors, and included:

- Monthly rota planning
- Building in ‘set days’ where possible
- Systems for allowing employees to choose or express preference for particular shifts
- Flexibility forms where employees could indicate days and times where they would definitely not be available
- Systems for employees swapping shifts without needing managers’ permission
- Giving as much notice as possible of any changes to shifts or overtime requests

“Because I have children they'll always call me in advance so I have a day or two's notice [of changes to shifts]”
In general, the more organised and formalised the system, the better it tended to be for employees, as it usually made it easier for their availability and needs to be taken into account. Sometimes less formal systems worked to the benefit of employees, but only where relationships with managers were good.

All of the strategies listed above increased the employees' sense of control over their lives, and helped them to avoid some of the problems and negative impacts outlined in Chapter 2. Those with more control over and advance notice of their hours tended to describe being happier in their work, and more committed to their roles.

**Changing shifts and hours**

Several participants had very short notice periods or were called up on the day depending on what was available. In general they were used to this system, even if it at times played havoc with their other plans, as illustrated in the case study below:

There was also frustration among participants whose rotas changed at short notice, as it often made it difficult to meet care responsibilities and make plans.

“We have a three week rota but you can guarantee it will change. I did used to write the three weeks down but I was wasting my time really”

Frustrated too were those who were asked to work overtime at the last minute or on the day, as they generally did not feel they could say no, even where this overtime did not attract increased pay or other advantage for the employee. By contrast, where participants needed to change work plans at the last minute, they often found this very difficult, which contributed to their broader sense that flexibility was a one way street that only benefitted the employer.

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**Case Study: Demanding flexibility with no notice**

Joe works in a furniture shop with some set hours every week, but also does Portable Appliance Testing for the shop as needed. When a customer comes to the shop and wants to buy a piece that hasn't been tested, he is called and expected to come into work immediately. This happens about once a week. As he has minimal commitments outside of work he usually doesn't find this annoying.

**Impact on family life and morale**

Recently though, he was looking after his daughter for the weekend (he does not live with her) and was forced to bring her back to her mother’s house and go to work. His employers were not apologetic and didn’t care about the problems they had caused. He finds this particularly frustrating as he really wants more fixed hours but can’t persuade his employers to give him a contract for more hours, despite the fact that he is developing his furniture-restoration skills in his spare time to become more useful in the shop.
“I have had occasions when I have rang in [because I can't make a shift] and they told me that no one could cover it”

The impact of last minute changes was particularly acute on those with caring responsibilities, or who needed consistent and stable income from their job. While participants were prepared to be flexible, they wanted their employers to make reasonable efforts to try to reduce the instability in their working patterns, or at least reward their flexibility by being flexible in return.

Knowledge of entitlements at work
Employment status - the difference between being an employee or worker - determines people’s rights and entitlements at work. Workers are afforded fewer rights than employees. Agency workers, casual or temporary staff, and those on zero hour contracts are sometimes classed as workers. While it is likely that most of our participants would be classed as employees, some were employed on contracts which would typically class them as workers. But this doesn’t mean that they don’t have any employment entitlements. Nearly all workers, regardless of the number of hours they work, have certain statutory entitlements, such as time off for holidays, sickness and maternity.

Responsible employers will endeavour to ensure that all of their employees and all line managers are fully aware of the entitlements of staff on different contracts. However, the findings from this research suggest that the currently low level of knowledge in this area means that this can be challenging, even where organisations have strong HR policies. Knowledge of entitlements for both employees and workers varied, but was often low. Few participants had high levels of knowledge about their entitlements to pay or leave for holidays, illness or maternity/paternity.

"I just accept what I am told and get on with it so I have never even thought about it."

Good practice
Those who had better knowledge of their entitlements tended to work for larger employers or - more rarely - had very proactive line managers. Participants who worked for larger organisations had usually received some literature about their entitlements at the start of their employment. They were in general informed about how many holiday days they could accrue and usually had access to an online holiday booking system. They also knew what the procedure was if they needed to call in sick, and how much notice they had to give their line manager. Formal processes and reminders were also useful in ensuring that employees stayed up to date about their entitlements, for example one participant had the number of holiday hours he had accrued and taken printed on all of this payslip.
Line managers
Approachable managers are important in enabling workers to feel confident enough to ask about their entitlements. A good relationship isn't sufficient though, as there were examples of excellent management relationships where participants were uninformed or under informed about their entitlements because their manager didn't talk to them proactively about their entitlements.

“She's (the manager) easy to talk to and I've meaning to ask [about whether I'm entitled to holiday pay], but it's just slipped my mind.”

In some cases the line management structure in large organisations created a barrier to finding out more: there were examples of difficulties getting adequate information from direct line managers, and contacting area or regional managers was either not straightforward or frowned upon. Participants didn't always trust that their manager was correctly informed or could answer their questions.

“I broadly understand my entitlement to annual leave but I resent that I wasn't paid anything when I was off sick recently. I trust my manager to be open and upfront about providing information but I’m not sure they would know the right answer.”

It was clear from the participants' experiences that poor or ill informed line managers could easily undermine even the best HR policies. This highlights the importance of ensuring that line managers are well-informed about and confident in explaining the entitlements of each of the employees. While this may be complex in organisations where a large number of different types of contracts are on offer, it is crucial in ensuring that employees understand their entitlements.

False assumptions
When asked about their entitlements, participants held a number of incorrect assumptions, the most widespread of which was: time working is paid, time off for whatever reason is unpaid. This seemed intuitive to participants, particularly where they worked a small number of hours, and thus already had a lot of “time off”.

“I don't get paid holidays and I haven't been sick enough over the last 4 years to take time off but I assume I wouldn't get paid for that either.”

Participants had usually not asked their current employer what they were entitled to under their current contract. Indeed the research interview was often the first time that they had ever even thought about their entitlements at work. The assumptions they made about their entitlements were based upon a number of factors, including the response participants would expect from their employer, discomfort in asking about terms and conditions, unforthcoming employers or managers, and the entitlements that they had in previous jobs. Some described a
sense of precariousness in their roles, and a corresponding fear that asking for anything could put their job at risk.

“I'm not sure if I signed anything to be honest. But because I'm not on a fixed term contract, I get paid for what I do. It was clear when I started that this was the assumption. I wouldn't rock the boat until I've got a permanent job.”

Even where participants felt secure in their roles, a personal lack of confidence could stop them from asking questions about their terms and conditions. This in part explains the marked difference between younger and older participants, with the latter tending to be much better informed and confident enough to ask if they were unsure.

**Ability to confidently use entitlements**

Responsible employers will ensure that all of their staff feel able to exercise their entitlements to sick pay, holiday pay, and maternity and paternity leave and pay. Workers on contracts that do not guarantee minimum hours shouldn't feel like their jobs or future shifts are at risk because they are too sick to work, or want to take some time off for holidays. Also employees who have guaranteed hours should be able to exercise entitlements through straightforward and transparent processes, and without concerns about financial penalties or disciplinary procedures.

Having knowledge about entitlements is one thing, having the confidence to use those entitlements is something else. This research suggests that even when knowledge of entitlements is good, it doesn't necessarily result in staff being confident about exercising their entitlements. There were a range of reasons why participants lacked that confidence, including:

● Concern that their number of hours or shift would be reduced;
● Concern that they would lose their jobs;
● A feeling that their employer was not in a position to offer or honour entitlements;
● A perception that the process for using entitlements was too complicated or laborious to engage with.

**Good practice**

Some of our participants had few problems when they were too sick to work, and were pleased at the support they received, as illustrated in the case study below.
There were also examples of employers who actively encouraged them to take their holiday entitlements, and set up simple, transparent and fair processes for booking time off well in advance.

**Empathy with employers**

Participants who worked for smaller employers talked in more informal terms about entitlements and had different reasons for not exercising them. Some felt that their employer simply wasn't in a strong enough financial position to offer entitlements.

“I don't think the boss could afford to pay me for sick or holiday pay as the company is too small and he would have to save elsewhere, maybe by reducing pay level.”

Some accepted certain reductions in entitlements because they felt that there were other perks, for example the young employee of a golf club who thought that free membership compensated for not getting the number of hours promised by his contract from time to time. However, such attitudes placed participants in an unnecessarily poor position with regard to exercising their entitlements at work, as it would mean having to move employer in order to access their basic rights.

**Concerns about consequences**

However even good practice like this could be negatively countered by fear of consequences of using entitlements. Participants feared being given fewer hours of work in future, or jeopardising their chances of promotion. Some described workplaces where the greatest number of hours or the most desirable shifts were given to those who didn't ask for anything from their employers, including holiday pay. The concerns about hours were particularly acute among those who were on zero hours, casual or agency contracts:

“I wouldn't be comfortable discussing this with them anyway, just in case they didn't give me anymore work.”

For the most part, it seemed that these concerns were generalised fears, and not based on experience or observation. However, several participants described

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**Case study: Restricting access to entitlements**

Angela, a home care assistant on a zero hours contract said she knows about her entitlements from experience in a previous role. She knows that she is entitled to maternity pay and when she asked about it recently, her line manager said he would look into it. Since then, she has been getting fewer hours each week. She thinks that this is because her employer is trying to give her less maternity pay when the time comes. This has resulted in financial hardship and greater reliance on tax credits in the past few months.

“Once I've paid my childcare, I have nothing left in my wage packet to buy stuff or pay my rent. I am living on the breadline.”

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times when these types of concerns had been realised, and they had been penalised for attempting to exercise their entitlements at work, as illustrated in the case study below.

**Competition for jobs**

There was concern among some that their employer would simply replace them if they attempted to exercise their entitlements. This was driven by a sense that they were easily replaceable, either because their job was unskilled, the local labour market was poor or their employer made them feel that they were not valued.

“I feel like I'm self employed and my employer would say 'no chance' if I asked for sick pay. There are plenty of taxi drivers who would like my job.”

“I'm worried about taking a holiday because I think they'll just replace me if I'm away.”

This sense was particularly pronounced among participants who worked in organisations or branches of chains that they perceived to be overstaffed. This led to a perception that work hours should be “shared out” and that employees should feel privileged when they got more. This then had negative consequences for individuals’ confidence in asking for improved contracts or to exercise their entitlements:

“I would like to ask for more hours, and I'd like to ask why there are so many of us employed here. But I'm the last one in and I'm scared that the boss will agree that there are too many of us and get rid of me.”

**Process barriers**

For those employed on fixed hours contracts, there was generally less concern about losing shifts or losing jobs, but more concern about complicated processes with financial penalties or disciplinary action. In order to call in sick, some employers had specific procedures which had to be followed, such as calling in a set time before the shift was due to start. Upon a return to work, there was often an interview and in some cases, there was a risk of financial penalty. The case study below illustrates the complexity and risk.
that can colour decisions about whether to use entitlements.

In larger employers, there were a range of methods for taking holidays such as putting in requests in writing up to 5 weeks in advance or making use of an online booking system. Some employers didn’t allow holidays to be taken at particularly busy times. The case study below is an example of poor communication and inflexible rules resulting in an employee losing out on holiday entitlements.

Taken together these factors made up a powerful barrier to participants using their entitlements. In general, only those with exceptionally responsible employers, or those who felt most secure (either in their role, or in their household finances) could fully exercise their entitlements.

**Responsible management of a flexible workforce**

Chapter 1, described the lack of options for those on non-traditional contracts if they are unhappy with their working conditions. As described in Chapter 2, non-traditional contracts can and do have a range of negative impacts on people's lives. This chapter has shown that those on non-traditional contracts also often feel that they lack agency at work and can face barriers to using their entitlements. These findings suggest that - while there are many examples of good practice and responsible use of non-traditional contracts - those employers who are not using flexible contracts in the most appropriate or responsible manner face few consequences from this behaviour.

It is important that employers take these issues into account, and do not exploit poor local labour markets or low employee skills by treating their employees poorly. Good practice in this area will also help employers with recruitment, employee engagement and retention. There are many lessons to be learned from employers who use non-traditional contracts in an appropriate, proportionate and responsible manner, and do their utmost to ensure that their employees do not suffer unnecessary detriment as a result of their need for a flexible workforce.
4: Making life better for those on non-traditional contracts

This chapter outlines the research participants own suggestions for improvements to their working lives and some preliminary conclusions to be built on in our policy work.

Participants’ suggestions for improvements
Participants in this research were usually very sympathetic to the challenges faced by their employers, and understood that flexible workforce management was sometimes necessary. Nevertheless, they often felt that it would be possible for their employers to offer more stable or guaranteed hours to regular employees, and thought that such a measure would improve their security and wellbeing of the workforce. Indeed some said that given the choice between more hours and fewer but guaranteed hours they would choose the latter.

"I think employers would really benefit if more people were given 16 hours contracts. I don't agree with 8 hours contracts. I don't feel my employer tries to exploit me - but I feel they would get a lot more out of people if they give them set hours."

“I would rather have less hours but have the consistency of knowing, budgeting-wise, that every week I have 10 hours, where I stand for childcare, where I stand financially“

Others called for incremental improvements to contracts for employees based on the amount of time in employment. They saw it as unfair that loyal employees weren't given contracts that reflected actual hours worked, or permanent contracts when they had been there for years.

"We should have a base contract which would be amended over time to reward people [with increased fixed hours]"

Sometimes our participants just wanted their employers to be more open to requests for small changes to rotas or schedules, generally along the lines of the good practice in rota management described in the previous section.

“Knowing that you were likely to work set days each week would make a huge difference”

However some suggestions were more macro in scale. Often participants simply wanted a full-time job or fixed hours part-time job with any employer. They thought that the underlying problem was that there are simply not enough of those types of jobs available anymore, or at least not where they live or in the
sectors in which they can work. They wanted it to see more of these jobs on offer, and more support to help them find them:

“I need a full-time contract. Having just 16 hours isn't really any better than a zero hours contract because I have all of the same problems”

“I'd really like someone to tell me how to find another job. There should be a lot more help in getting people full-time work”

Finally participants who were parents called for jobs to fit better with childcare and better funding for childcare to enable them to work more. They specifically mentioned access to childcare at unusual hours, as single parent participants and those who worked in the care or hospitality sectors found it very difficult to find childcare at these times.

“Childcare needs to be cheaper and more flexible”

“[There should be] more jobs in the evening for people who can't afford childcare”

Conclusions

There are people on non-traditional contracts who face no problems, and indeed prefer the flexibility they afford. But as this report illustrates, for those with housing costs, dependent children or no other household income, the problems can be severe, and fluctuating income potentially unsustainable in the long term. One younger participant said her zero hours was perfect for now, but that she would have to “sacrifice her freedom” when she was older if she ever wanted a mortgage or to arrange childcare. However, the problem for many others is that much as they wanted to jettison some or all of the ‘freedoms’ of a non-traditional contract, they were unable to as there were no alternatives available. Overall, while our participants were happy to be flexible and suit the needs of their employers, they felt that the balance needed to be tipped so that they could also benefit more from the situation, and feel more secure at work.

The problems faced by those in non-traditional contracts are complex, and many require effort from employers, the government and employees themselves to overcome. The next stage of our work on this issue will be to work with forward-thinking employers, government departments, local authorities and other stakeholders to discuss the findings of this report and develop ideas for change that are practical and work for both individuals and responsible businesses.
Appendix

Methodology
The overall aim of this research was to understand the experiences of people in jobs with non-traditional contracts. Specifically, we aimed to:

- Better understand how their patterns of work impacted on their financial, personal and home lives; and
- Explore experiences at work, and in particular people’s understanding and use of entitlements.

With that in mind we set out to interview 40 people on non-traditional contracts.

Sampling and recruitment
Research participants were recruited by an independent recruitment agency. The first step in sampling was choosing a range of geographically diverse areas covering urban, rural and suburban areas. Employment statistics were used to choose six areas in total, two of each dominated by small, medium and large employers. The aim was to do 4-8 interviews in each area, however this was revised throughout the recruitment process based on participant availability. Actual numbers of interviews achieved is noted in brackets below:

Areas for interviews:

- Small employers
  - Mid-Devon - 8
  - Eden (Cumbria) - 6
- Medium employers
  - Crawley (Sussex) - 11
  - Ashfield (Nottinghamshire) - 2
- Large employers:
  - Wolverhampton - 12
  - Newcastle-upon-Tyne - 8

The second step was to ensure a wide range of participants across areas. All were recruited to be low income, earning less than £15,000 per annum or £288.46 per week before deductions.

The primary quotas were:

- Family type - at least ten participants in each of the following categories
  - Pre-family (under-25 years of age, not be married or cohabiting)
  - Parents (18-66, single or partnered, at least one dependent child)
  - Older workers (55-66, single or partnered)
Disability
- At least 10 people with a physical or mental impairment that has a substantial and long term adverse effect on their ability to carry out day to day tasks.

Work type - at least three people with the following types of contract:
- ‘Zero hours’ (contract does not guarantee minimum hours)
- Fixed hours (contract specifies a low number of hours which are regularly exceeded)
- Habitual shift work (shift pattern varies from week to week, or may work weekend, night shifts or other anti-social shift patterns)
- Agency work (contracted out to companies rather than employed directly)
- Seasonal work (regularly work during the ‘high season’ only to be laid off during the ‘low season’)
- Fixed term or temporary work (contract specifying an end date or without the expectation of permanency)
- ‘Piecework’ or ‘Commission only’ work (paid a highly variable amount based on their performance)
- Multiple jobs (more than one job; this may include both self-employment and employment, and any of the types of contract listed above)

All of these quotas were met, apart from the ‘piecework and commission only’ quota, where there were only two participants who matched this description. There was also a good mix of gender and ages across the samples and a range of different health conditions and disabilities among those in this category.

Participants were given a small financial incentive to thank them for taking part in the interview. A semi-structured discussion guide was developed to ensure that all interviews covered the key research questions. Almost all interviews were carried out face to face in the participant’s home or at an alternative location of their choice, with six taking place as telephone interviews towards the end of the fieldwork period. Each lasted between 60 and 90 minutes. Interviews were recorded and analysed thematically.
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