

How can job security exist in the modern world of work?

**citizens
advice**

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Work and a regular income are vital to our sense of security. Recent Citizens Advice polling revealed that the security of their income is as important to people as its overall level.¹ Yet we have seen rapid change in how we understand the concepts of work and pay. The workforce is increasingly diverse and mobile – more people now work for themselves, via agencies and with hours that vary. Our analysis suggests 4.5 million people in England and Wales are in some form of insecure work.

The main benefit of this change is increased flexibility – for both employer and worker. But growing labour market complexity also creates risks – particularly for the security of income people value so highly. Limited employment options can mean people have to settle for work which does not offer them the security they need. At Citizens Advice, we also see workers and their employers struggling to understand their rights and responsibilities, many of which were developed in a very different labour market context.

Our research and insight suggest changes in 4 key areas could help ensure an increasingly flexible labour market offers benefits to **both** employers and workers.

4.5 million people in England and Wales are in some form of insecure work

1 Employment legislation should strike a balance between clarity and adaptability

2 Employment rights need to be more accessible

3 Government should require transparency from employers and become more responsive to a changing labour market

4 Employers need to update approaches to managing a flexible workforce

1. Citizens Advice, "The Importance of income security", June 2016.

1 Employment legislation should strike a balance between clarity and adaptability

We recommend:

Fees for employment tribunals – currently up to £1,200 – should be ended or significantly reduced. 90% of Citizens Advice clients with employment issues said they would not be put off by a £50 charge.²

Introduce a clear, statutory definition of self-employment, which workers could access via an intuitive online test. Such a measure would improve transparency and clarity for both employers and individuals.

Employment law was largely designed for a very different labour market. This creates gaps and increases grey areas when economic trends, working patterns and practices change. For example, there is currently confusion around the legal definition of self-employment – as highlighted by recent high-profile court cases. This gap in legislation means people miss out on employment rights unless they can prove they fit sometimes outdated definitions of employment.

The prompt for adaptations in employment law often comes from the case law generated by employment tribunals. However, fees of up to £1,200 introduced in 2013 have led to a 70% reduction in new single claims.³ This is not only an issue for enforcing rights, but also restricts the development of the case law through which employment law can adapt to changing contexts.



“I have been doing the same job every day, in the same location, for the last 5 years.

I am a plant driver and I know that de facto I am an employee, but I have to accept the self-employed terms because the management requires me to do so.

It is quite frustrating, as I do not have any protection from being sacked... I do not get any holiday pay.”

Jack on bogus self-employment

1 in 10
self-employed people are likely to be bogusly self-employed, according to our analysis³

4.75 million
self-employed people in the UK – 15% of the workforce

2. Citizens Advice, 'Fairer fees', 2015

3. Citizens Advice, 'Fairer fees', 2015

2 Employment rights need to be more accessible

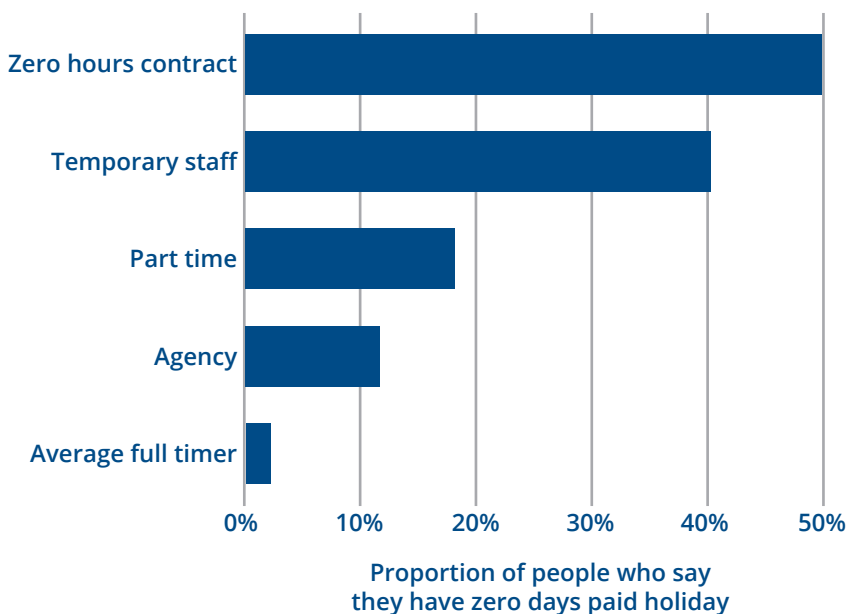
We recommend:

Introduce a new dedicated organisation – the Fair Work Authority – as a single body for enforcing workplace rights. This would bring together the specialisms and responsibilities in existing bodies, which are currently often under-resourced and fragmented.

A Fair Work Authority would serve a pro-active as well as reactive function – raising employers' and workers' awareness of rights and legislative changes, as well as working to uphold current rights.

With growing variation in working patterns and contracts, understanding employment rights has become more difficult. At the same time, options for enforcing rights have become less accessible, with new employment tribunal fees and a confusing and often poorly-resourced set of enforcement bodies, including HMRC, Acas, GLAA and EASI. This leaves many workers unaware of, unsure about, or unable to enforce their rights.

Half of those on zero-hours contracts and two-fifths of those on temporary contracts wrongly believe they are not entitled to paid holiday



Source: Labour Force Survey, Q2 2016.

We helped **200,000** people with **340,000** issues relating to employment over the last year

In the last year, we've seen a **20% rise** in visits to the agency worker advice pages on our website

3 Government should require transparency from employers and become more responsive to a changing labour market

We recommend:

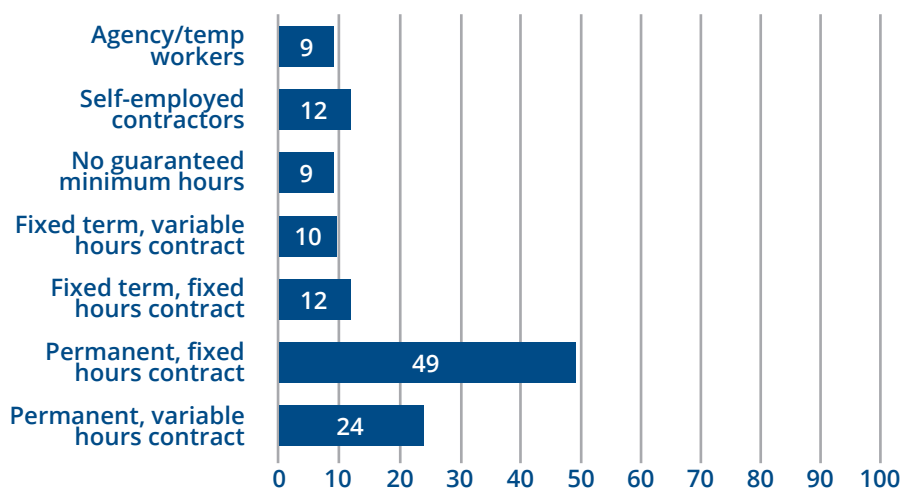
Require large companies to publish information on the proportion of their workforce on different types of employment contracts.

Systems related to a changing labour market, such as pensions, childcare, tax and benefits, must be capable of serving those on non-standard employment contracts.

The role of Government needs to reflect changing labour market conditions. On the one hand, this means reviewing the various levers through which it can shape the labour market. Steps to introduce transparency in areas such as the gender pay gap may change employers' behaviour. Expanding this transparency to cover the types of contracts used by large employers will require businesses to engage in discussion about the overall shape of their workforce and job quality. It will also encourage public debate as the labour market continues to evolve, helping businesses to ensure they can adapt their practices to attract and support workers in a variety of employment types.

On the other hand, an updated role for Government should also cut across the various systems and bodies – such as pensions, childcare, tax and benefits – which interact with the labour market. Increasing flexibility in working patterns and insecurity of income should be reflected in these wider systems.

Percentage of employers saying at least 50% of workforce are...



Source: Citizens Advice polling of 1,108 line managers in England and Wales. Oct-Nov, 2016



"I covered for a lady's holiday and did 5 shifts a week [instead of 4]. I got overpaid [in benefits] 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"

Linda on non-standard employment contracts



"I'm just hoping and crossing my fingers that the government will support me enough. In general I can't really see myself saving enough to have a nice pension pot."

Anita self-employed

4 Employers need to update approaches to managing a flexible workforce

We recommend:

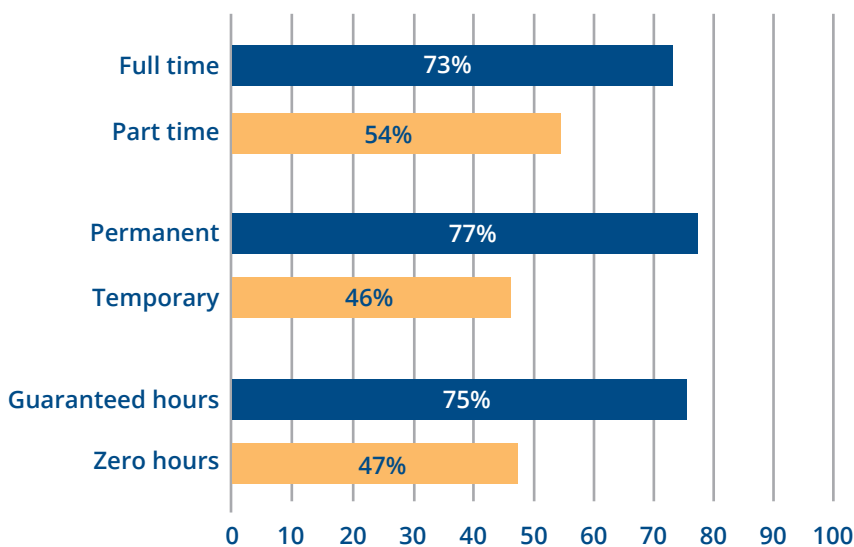
All employers should offer line management or similar support to all their workers – 74% of people say that good line management contributes to their general feeling of security⁴.

Better use of technology in areas such as rota and shift management to offer workers greater control, allowing them to plan, budget and ensure they are receiving the appropriate rights and entitlements.

Employers should undertake due diligence to make sure the employment agencies they appoint are legitimate, responsible businesses, complying with all regulations and with fair sickness and deductions policies – this should be a legal requirement.

While many employers have changed their employment and contracting practices in recent years, management standards have not always developed to meet the new demands these changes create. Effective line management is crucial for those navigating non-standard contracts, yet Citizens Advice polling suggests it is often these workers who are least likely to report line management support (see below). Employers have a duty of care to all their staff, including those on non-standard contracts, but this is not always reflected in rota and staffing management.

Proportion of workers who report having a line manager, by type of contract



Source: Populus survey for Citizens Advice of 2,158 working people. March 2016

Of over 1,000 line managers polled by us

1 in 5

said contracted staff didn't tend to receive more than 48 hours notice of their shift times

1 in 5

said contracted staff couldn't specify times or days when they were unavailable

1 in 10

said contracted staff could not turn down a shift or specify their availability

4. Citizens Advice, "The Importance of income security", June 2016.

Free, confidential advice. Whoever you are.

We help people overcome their problems and campaign on big issues when their voices need to be heard.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.

Beth Foley
Katy O'Malley
Jacqueline Kinnear

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