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of work for good

Great Jobs with Guaranteed Hours

What do workers really think about
'flexible' zero-hours contracts?

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Section One

Introduction

This report looks at the real experiences and views of those employed on zero hours contracts.

The number of people employed on zero-hours contracts has increased rapidly over the past decade and currently lingers at around 900,000.¹

We commissioned a nationally representative poll of working people across Great Britain to find out more about the rights they get at work, whether they're happy in their jobs, whether they'd rather work a different way, and much more.

What we found out from those on zero-hours contracts paints a bleak picture. Many on zero-hours contracts don't benefit from important workplace rights, and they put up with insecure hours and pay.

Many don't choose to be employed that way – they're on a zero-hours contracts because it's the only choice, but they'd rather have a contract with guaranteed hours.

They're also more likely to be thinking about leaving their current job than other workers.

We go into more detail in this report, splitting the findings into three sections:

- Rights and their importance
- Whether a zero-hours contract is a choice
- Job satisfaction

We end by setting out steps we would like employers and the government to take to ensure that this form of job insecurity is a thing of the past.

¹ ONS (2017) *Contracts that do not guarantee a minimum number of hours*
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contracts-that-do-not-guarantee-a-minimum-number-of-hours/september2017>

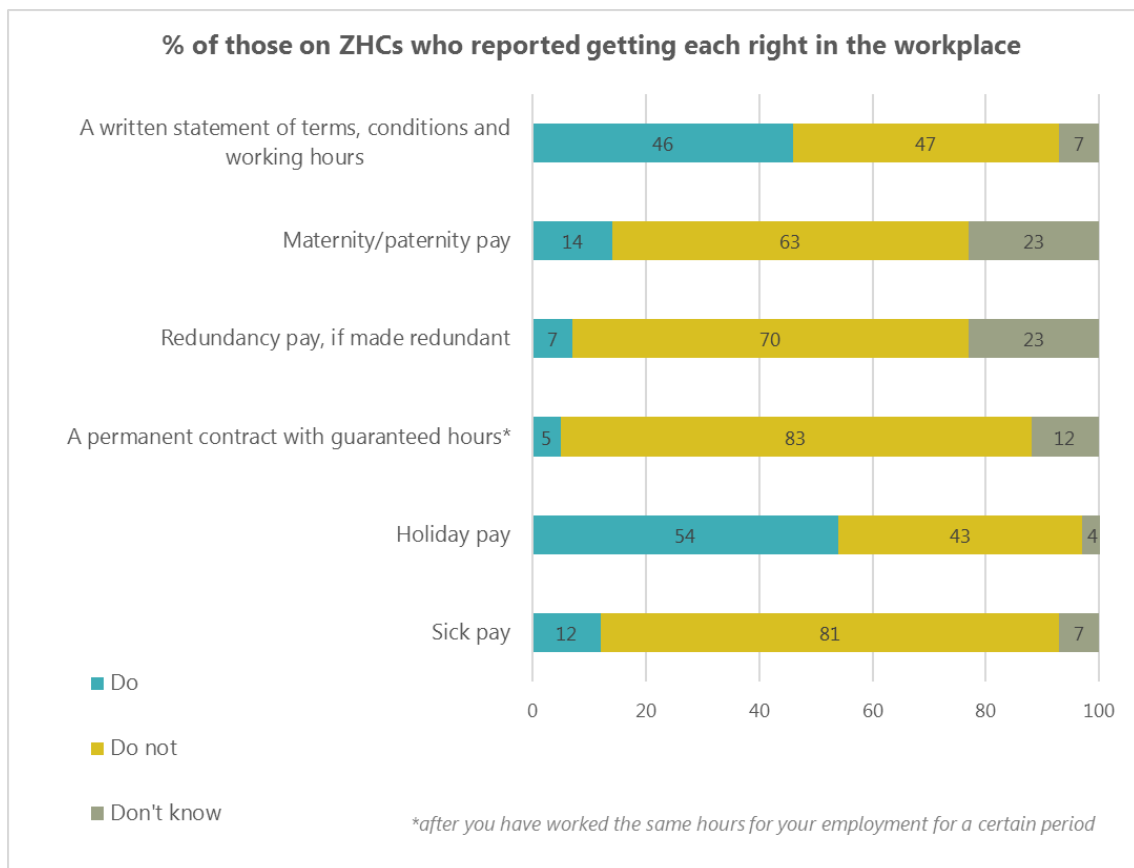
Section Two

All Workers Need Rights

All workers deserve the same rights at work. Yet, as the poll shows, many on zero-hours contracts lose out on the rights that are important to them and which most of us take for granted in the workplace.

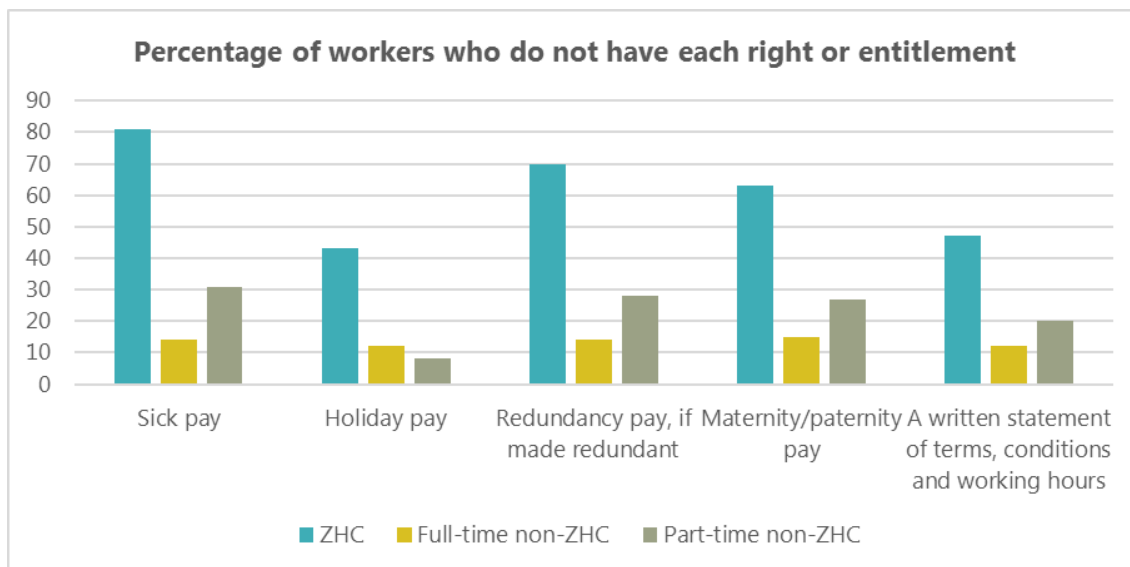
A substantial majority (82%) of zero-hours contract workers said that they don't receive sick pay. As well as this:

- Sixty-three per cent don't receive maternity or paternity pay
- Seven in ten won't receive redundancy pay if made redundant
- Just under half (46 per cent) said they don't get holiday pay.
- Just over half (54 per cent) said they have not been given a written statement of terms and conditions



We can look at how this compares to workers on other types of contracts. The chart below shows how the percentage of workers who lose out on different right varies by type of contract.

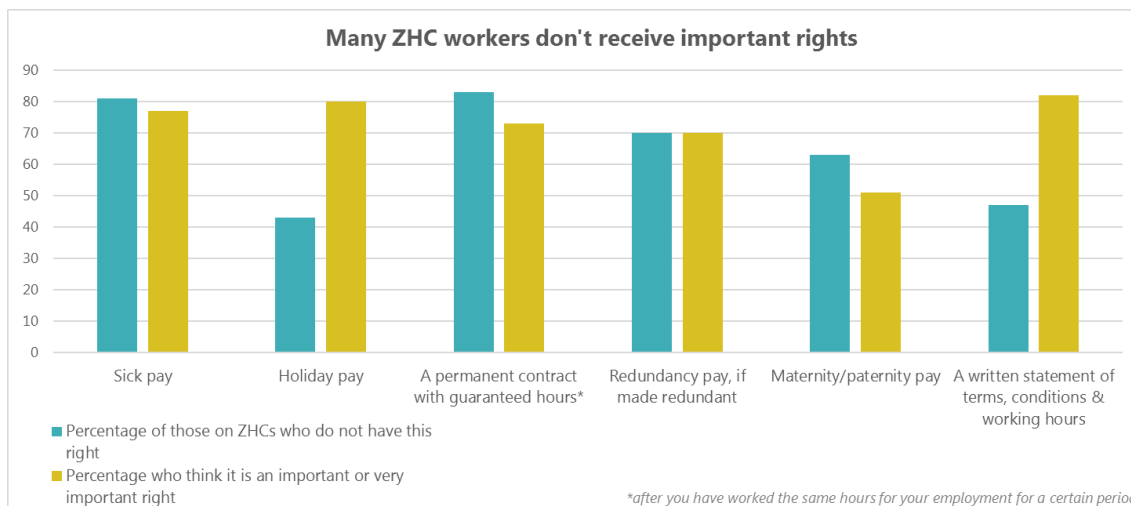
By a large margin, those on zero-hours contracts are much less likely to benefit in practice from each right.



These are basic rights, and the majority of those on zero-hours contracts believe it's important to have them.

The chart below shows the percentage of zero-hours contract workers who described each right as either important or very important. Alongside this is the percentage of zero-hours contract workers who said they lose out on each right.²

We see, for example, that 8 in 10 zero-hours contract workers don't receive sick pay, even though 76 per cent also say this is an important or very important right to have.



It's not just those on zero-hours contracts that feel these rights are important. The vast majority of all workers also agreed that each of these rights is important.

² The chart does not include the percentage of those who said they didn't know whether they did receive the right

Working on a zero-hours contract isn't always a positive choice

An argument we often hear in defence of zero-hours contracts is that they offer flexibility for both the employer and the worker. Employers claim people choose to work on zero-hours contracts because they like this flexibility and choice.

They claim zero-hours contracts allow workers to pick and choose their hours, accepting or turning down shifts whenever they are offered.

We've questioned this argument before. We frequently hear from those on zero-hours contracts that this flexibility is an illusion. The reality is that they feel compelled to work whenever asked. If work is turned down, there's an implicit threat that they could lose out on future work.

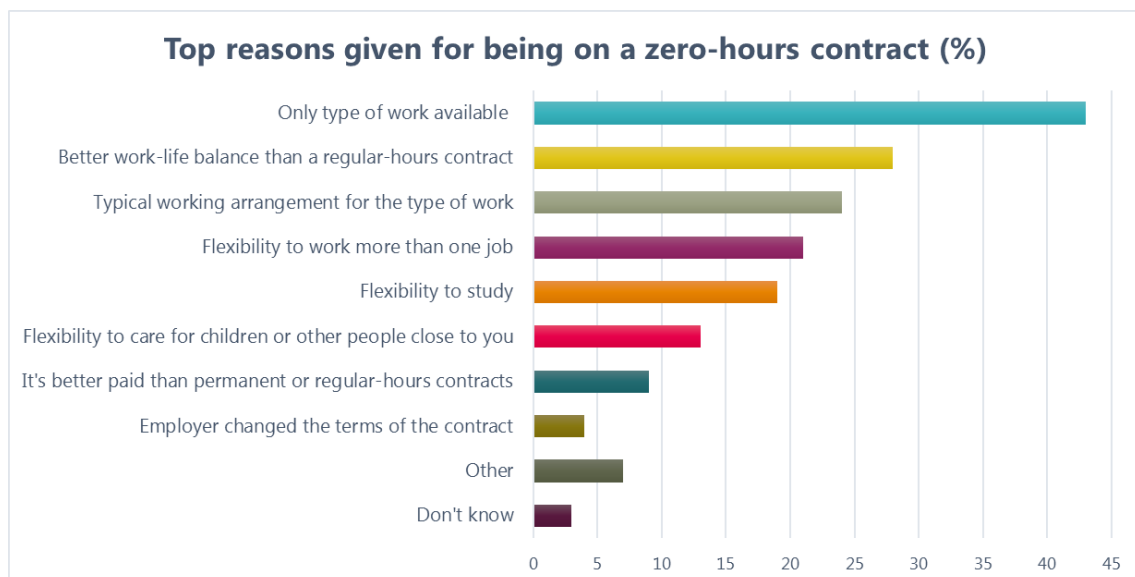
Flexibility exists for the employer, but not the worker. Instead, the worker is left to struggle with uncertain hours, irregular income, a lack of basic rights and a general sense of insecurity at work.

The idea that individuals chose this type of work because of flexibility it offers, is brought further into question when we look at the preferences of such workers

The poll shows that most zero-hours contract workers are not on them by choice. Most would rather a different type of employment.

Not on zero-hours contracts by choice

We asked those on zero-hours contracts to select all the reasons why they are in this type of employment. Forty-three per cent of respondents said it was the only type of work available. This was the reason most commonly given.



We then asked people to identify the main reason why they are on a zero-hours contract. Again, it being the only type of work available came out on top.

So, while flexibility is certainly an attraction for some, many on zero-hours contracts aren't on them by choice or for their flexibility. They're on them because it's the only type of work available to them.

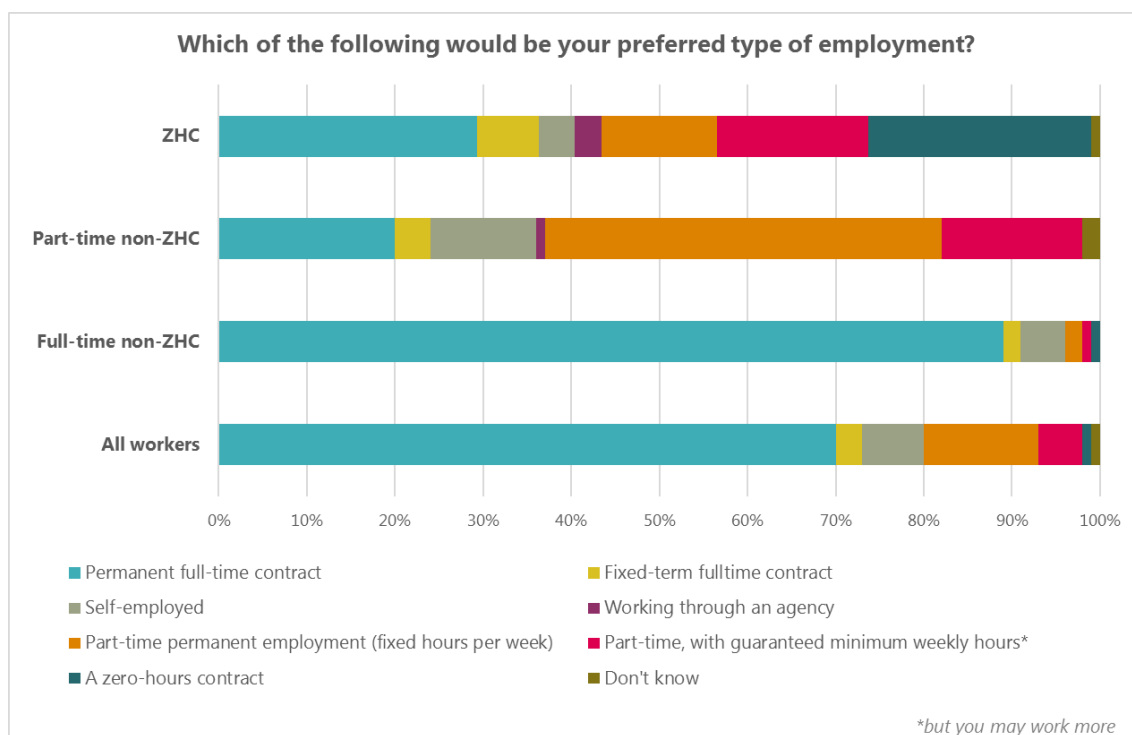
Most people on zero-hours contracts would prefer a different contract

This is even more clear when we look at the number of those on zero-hours contracts who would prefer to be employed on a different type of contract.

The poll shows that two-thirds (66 per cent) of zero-hours contract workers would rather have a contract with guaranteed hours. Just one in four (25 per cent) say they prefer being on a zero-hours contract.

When asked what type of contract they would prefer, nearly one in three zero-hours contract workers (29 per cent) would rather have a full-time permanent contract. Part-time employment with fixed hours or minimum guaranteed hours are also popular choices (13 per cent and 17 per cent respectively).

Employees on other types of contracts are also not attracted by zero-hours working. Only 1 per cent of all workers would choose to be employed on a zero-hours contract. Indeed, 89 per cent of permanent full-time employees are happy with their contracts.



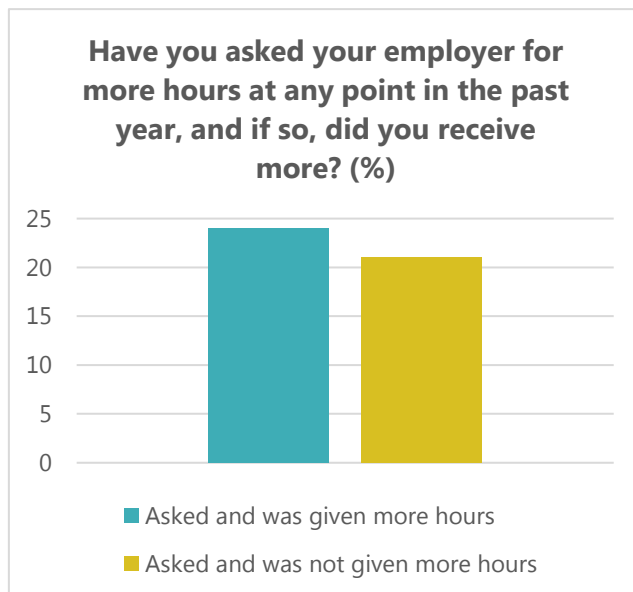
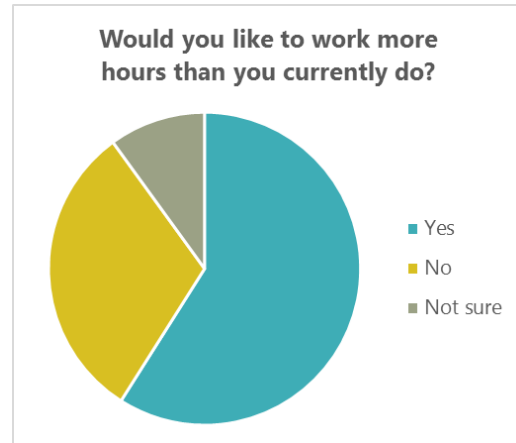
They'd also like more hours

Most people on zero-hours contracts would also like more hours, but it's difficult to secure them.

Fifty-nine per cent of zero-hours contract workers said they would like more hours.

Forty-five per cent said they had asked for more hours in the past year, but only 24 per cent got them.

The lack of working hours also creates financial issues for many zero-hours contract workers. A majority (54 per cent) reported they faced difficulties managing their household expenses because they did not get enough hours, with nearly a quarter (22 per cent) saying this was a regular problem (see chart below). Nearly two fifths (38 per cent) of zero-hours contract workers say they wouldn't be able to cope with an unexpected bill of £500.

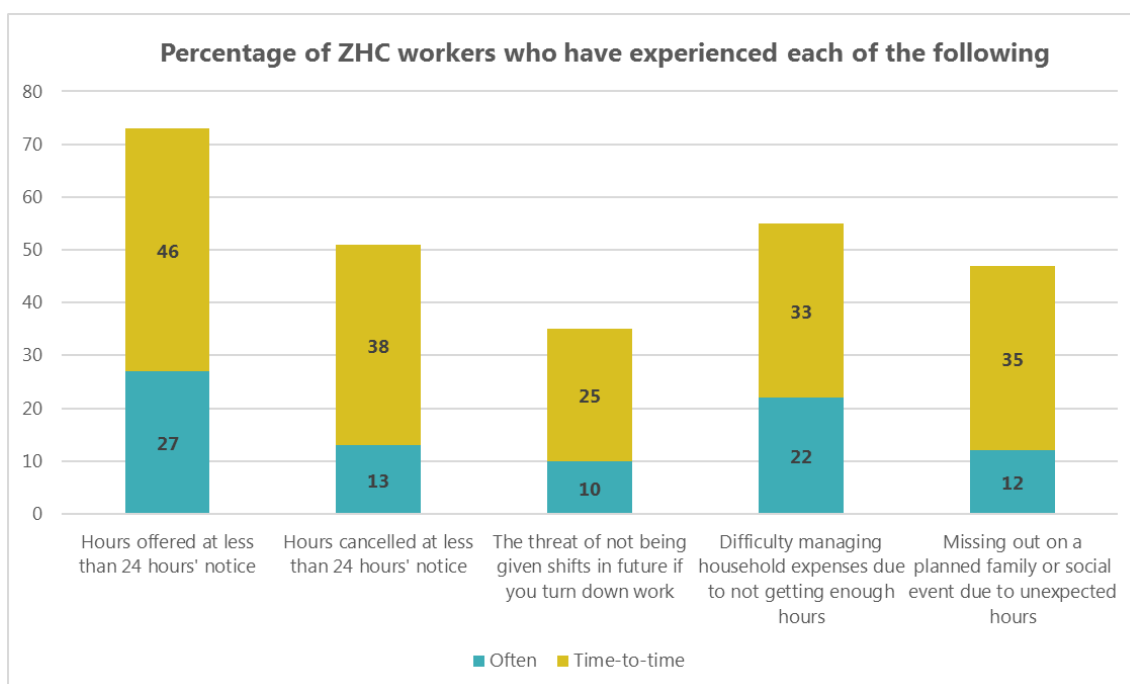


Insecure hours

Even when those on zero-hours contracts are offered work, it isn't secure. Work can be offered at the last minute, and taken away just as quickly.

Almost three-quarters (73 per cent) of zero-hours contract workers have been offered hours work with less than 24 hours' notice, with 27 per cent reporting this is a regular experience. Half (51 per cent) have had hours cancelled with the same amount of notice.

Worryingly, around a third of those on zero-hours contracts (35 per cent) have been threatened with not being given shifts in the future if they turn down work.



Zero-hours contracts workers are more likely to want to leave their job

Given the lack of security and choice, it's unsurprising that individuals on zero-hours contracts are more likely than other workers to be looking for a new job.

Three in ten zero-hours contract workers said that they're "very likely" to start the hunt for a new job in the coming year. A further 25 per cent are "likely" to start looking.

This means that over a half of zero-hours contracts workers are considering leaving their current job. In comparison, only a third of all workers said they'd be likely or very likely to start searching in the coming year.

Reasons for leaving

It's not enough just to say that being on a zero-hours contract makes you more likely to leave your job. It's important to look at why people want to leave.

Interestingly, the reasons given by those on zero-hours contracts vary from the reasons given by all workers.

The poll asked all those who said they were considering finding a new job for the two biggest reasons why.

Higher pay is, understandably, a big reason that people want to find a new job. Among all workers, half said that they wanted to leave for more money. Among those on zero-hours contracts, this figure was lower, but still the most commonly given reason.

However, the second and third most commonly given reasons, were different among those on zero-hours contracts than among all workers.

Among all workers, people are more likely to leave for a more fulfilling job (26 per cent) or to move ahead in their career (25 per cent).

Zero-hours contracts workers said that seeking more security, such as guaranteed hours or income, was a more important reason for looking for a new job (37 per cent). They also said they were likely to leave so that they can get more hours (29 per cent).

Section Three

What needs to be done?

We believe that every worker deserves a great job. That's why we've set out the Great Jobs Agenda to campaign for better jobs for everyone. An important part of this is to ensure that everyone has access to the rights they deserve and that no one faces insecurity at work.

It's unfair that large majorities of those on zero-hours contracts lose out on many of the rights enjoyed by employees. That's why we want the government to ensure that all workers should have the same rights currently enjoyed by employees. The government needs to review and modernise employment status rules, to ensure that all workers benefit from the same decent floor of rights. But they should also invest more resources into enforcement to ensure that those in insecure work don't miss out on their existing rights.

There's other things that both employers and the government can do to help make this a reality.

We'd like to see employers:

- Avoid using zero hours contracts. Instead they should give staff who want them contracts with guaranteed hours that reflect their normal working patterns
- Agree a minimum notice period for allocating and changing shifts
- Report on the use of zero-hours contracts, short-hours contracts, and agency work in annual reports, and explain why they are using them.

But we need the government to act to. That's why we want them to:

- Make sure all workers get a written statement of their pay and conditions from the first day of the job
- Ban the regular use of zero-hours contracts, and ensure all workers receive premium pay for any non-contracted hours and compensation when shifts are cancelled at short notice
- Make sure companies and public bodies report on how many people they employ in agency work, zero-hours contracts and short hours, including through supply chains in their annual reports

We know that joining a union is the most effective way for individuals to tackle insecurity in their own workplace. Below are just two examples of the work trade unions are doing to tackle zero hours contracts across the U.K.

UNISON's Ethical Care Charter

UNISON's Ethical Care Charter has now been adopted by 33 councils in England, Wales and Scotland against a backdrop of savage cuts to social care budgets. It was brought into being because of widespread levels of poor treatment among the half-a-million-strong homecare workforce. UNISON has documented the lack of time homecare workers are given to care for elderly and disabled people, a frightening lack of training for many, widespread noncompliance with the minimum wage and a growing use of zero-hours contracts. All these problems conspire to rob homecare workers and the elderly and disabled people they care for of dignity and they contribute to poor levels of care.

The Charter provides a baseline of minimum standards that all homecare providers must adhere to when a local council commissions its homecare contracts (the sector is overwhelmingly outsourced). These include better levels of training, payment of travel time between visits, guaranteed hours of work and continuity of care. It also ensures that homecare workers are paid at least the Living Wage. This is a series of modest steps that enable homecare workers to provide a better level of care. UNISON's analysis has shown that adoption of the Charter has had a positive impact on recruitment and retention levels in a sector where 900 workers are quitting their jobs every day. It is led to improved levels of satisfaction from people who rely on homecare services. By having a baseline in place it also prevents care providers who value their workforce from being undercut by more unscrupulous employers who are willing to take on a council contract for less by exploiting their workers.

The Charter is an initiative better for care users, care workers and care providers. In the words of Southwark Council's lead member for adult social care when the Charter was adopted: "I believe that having a better paid, better skilled and well-motivated workforce in our community will help ensure high quality care, reducing unnecessary demand for hospital services."

UNITE's Campaign at Sports Direct

Unite has been at the forefront of the campaign highlighting the harsh working conditions experienced by thousands of workers at Sports Direct's Shirebrook warehouse in Derbyshire, including low pay, precarious working arrangements (including a dependence on agency working) and a culture of fear.

The Sports Direct business model means that in reality those who are precariously employed have no access to justice. If they are treated badly they fear raising it in case they lose their employment. They have very little protection, which means there are no consequences for those who commit poor treatment. This inevitably leads to more extreme situations.

Some concerns have been addressed in response to Unite's work, though serious issues remain. Following the Unite campaign, thousands of workers at Sports Direct's in Shirebrook received back pay totalling an estimated £1 m for non-payment of the minimum wage. This covers workers directly employed by Sports Direct and those employed through employment agency The Best Connection. This has been followed by a 15p per hour pay rise for all national minimum wage workers, the appointment of a full-time nurse and welfare officer, and the removal of the 'six strikes' disciplinary policy, after which workers could be dismissed.

Alongside these improvements, serious problems remain. While the company committed at its 2016 AGM to offer all workers on zero-hours contracts the option of moving onto fixed hours or minimum-hours contracts, this has not been extended to thousands of workers employed through agencies working on short-hours contracts. The company committed to an independent review of working practices and corporate governance, including a review of Sports Direct's model of predominantly using agency workers, but this has not happened. And workers employed through employment agency Transline have not been paid the back pay they are owed through non-payment of the national minimum wage because Transline has gone into administration and Sports Direct has refused to take responsibility for these payments itself.

Unite continues to call on the company to enter in to serious discussions to address the significant concerns that remain in terms of Sports Direct's employment practices.