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*Zero hours contracts as a source of job  
insecurity amongst low paid hourly workers*

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## Executive Summary

This report demonstrates that 'zero hours' contracts can be problematic for reasons which have not received enough attention. Moreover, other mechanisms which induce variability in hours and schedules, in order to achieve employer induced flexible scheduling, are equally problematic. Therefore, the public discussion of zero hours contracts must be broadened out to consider problems resultant from wider instances of unpredictable scheduling. Zero hours contracts and other mechanisms of schedule flexibility induce high levels of unpredictable variability into workers' schedules. This unpredictable variability generates job insecurity by engendering uncertainty and worry about future changes to hours, income and schedules. We term this form of job insecurity *schedule insecurity*. This insecurity often results in feelings of powerlessness and an inability to plan one's life, and in many cases leads to an anxious, stressed and depressed mental state.

The subjective uncertainty and worry about future changes to hours and scheduling is shown to be provoked by the serious objective consequences of frequent unpredictable changes to hours experienced by hourly paid workers. These consequences include:

- Financial instability and an inability to confidently plan finances
- Reduced ability to undertake additional earning opportunities
- Reduced ability to take advantage of educational and training programmes
- Reduced ability to fulfil caring responsibilities for children, grandchildren and parents
- Impairment of family relationships, especially with children and partners
- Curtailment of social relationships and activities

Both the individual and societal consequences of zero hours contracts and other flexible scheduling mechanisms require policy interventions to protect vulnerable workers and dissuade employers from unnecessarily utilising harmful variations in workers' schedules and hours, whilst maintaining a business environment conducive to employment growth. Even informal employee input into schedules has been shown to significantly reduce some of the negative consequences of unpredictable scheduling, however, given contemporary loose labour market conditions and the prevalent financialised evaluation of firm performance, the ability of employers to voluntarily reduce cost containment policies, such as the flexible scheduling of low-level jobs, may be limited. There is therefore a need for the policy debate surrounding zero hours contracts to be better informed by evidence. In particular recognition is needed that the labour market situation of low paid hourly workers diverges radically from that of high paid salaried workers and that mechanisms of employer induced flexibility cannot be conflated with mechanisms for employee induced flexibility. Employees should be granted the 'right to make statutory applications to work additional core hours and/or to have greater schedule security' and a statutory 'Code of Practice for Scheduling' should be created and encompass all best practice associated with scheduling. Employment Tribunals should be instructed to take into account whether the employer was following the Code of Practice in all relevant cases.

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## Introduction

Zero hours contracts are defined by the Department of Business Skills and Innovation (BIS) (2013: 7) as an “employment contract in which the employer does not guarantee the individual any work, and the individual is not obliged to accept any work offered.” The CIPD’s (2013) representative survey of 203 employers found that 50 per cent of private sector and 38 per cent of public sector employers in practice have an expectation, that depending on the situation, workers on zero hours contracts will accept the hours which they are offered. Furthermore, despite a highly heterogeneous sample of 456 workers on zero-hour contracts the CIPD (2013) found that 83 per cent of these workers receive a week’s or less notice of hours, meaning that most workers receive very little notice of hours which they may be expected by their employer to accept. Correspondingly 65 per cent of workers are given 24 hours’ or less notice and 83 per cent a week’s or less notice when work is no-longer available. Lambert (2008) and Lambert et al. (2012) argue that this unpredictability of scheduling has arisen as employers are increasingly unwilling to pay for labour which exceeds demand on an hourly or daily basis. Therefore, staffing outlay budgets are tightly linked to customer demand, and frontline managers are expected to closely enforce these budgets. Parent-Thirion et al’s., (2012: 91-92) analysis of the European Working Conditions Survey (n = 43,816 across 34 European countries) finds that 35 per cent of workers indicate that they have changes in their work schedule (37 per cent of men and 33 per cent of women) and of these workers 20 per cent of males and 15 per cent of females only know of these changes on the same day or the day before. It is this unpredictability of hours which this report focuses upon, strangely the public discussion surrounding this issue has remained centred upon zero hours contracts themselves, for example focusing on how many people are currently employed on them, rather than probing what it is about such contracts which has the potential to be problematic. Furthermore, zero hours contracts are a particularly exotic, but loosely defined, mechanism of employer induced flexibility while schedule unpredictability is characteristic of other more prevalent mechanisms of flexible scheduling, it is therefore unjustifiable that the public discussion be limited to specific instances of zero hours contracts. This report breaks the mould in that its focus is upon schedule unpredictability and the problems this causes for workers regardless of whether they are seen as being employed on a zero hours contract. The findings therefore are of importance to discussions of zero hours contracts as they highlight the problems caused by the unpredictable nature of zero hours contracts but they are also relevant to far wider issues of scheduling.

Unpredictable scheduling practises such as zero hours contracts are frequently argued to benefit both employers - by enabling better matching of labour supply to demand, reducing labour costs and allowing a more efficient service - and employees - by facilitating a better balance between work and home-life. Such views contradict empirical findings such as those of Hyman et al. (2005: 719-720) which highlight that “*employers show little enthusiasm for employee flexibility unless it is on terms from which they expect to derive benefit... ‘flexible’ working time patterns were only flexible for the employers and actually undermined workers own coping arrangements.*”

In fact as Lambert et al. (2012: 304) state, “the zero-sum game created among workers when employers apply strict limits to total labour hours means that control granted to one employee tends to lessen control enjoyed by co-workers.” Therefore, when evaluating the effects of flexible scheduling it makes little sense to conceptually lump together mechanisms of employer induced flexibility with mechanisms for employee induced flexibility. Likewise, Lambert et. al (2012) demonstrate that as highly paid salaried workers experience such markedly different labour market realities to those of low paid hourly workers, it again makes no sense to amalgamate the two when considering the experiences of

flexibility. The former often face long rigid working times and a high number of weekly hours, whereas the latter tend to experience a high degree of flexibility in their hours and low numbers of weekly hours. Therefore, any evaluation of zero hours contracts must specifically consider the impact on those workers who are most vulnerable.

The most in-depth investigation into flexible scheduling is that carried out by Lambert (2008) and Lambert et al. (2012), who make use of three large scale comparative case studies in the United States (US). There is, unfortunately, no comparable research into the UK labour market, but given the similarities of the labour markets which are both categorised as Liberal Market Regimes (Soskice, 1999) in the production regime literature (the differences are further discussed below in the appendix, but the findings suggest that these are marginal in regards to workers' experiences of flexible scheduling), Lambert et al.'s. (2012) findings are likely to be highly applicable to the UK. Lambert et al. (2012) provide evidence that work hours are both scarce and variable for many low-level, hourly US workers. In order to get hired, applicants often have to 'open' their availability to work anytime that their employer wishes. For example, "94% of managers surveyed agreed that they try to hire workers with maximum availability" (Lambert et al., 2012: 305). Moreover, part-time workers who had asked their managers not to schedule them for certain days or shifts were, on average, found to work less hours and retail workers who had made such requests reported "facing repercussions in the form of reduced hours or being assigned undesirable shifts" (Lambert et al., 2012: 305). Lambert (2008) found that in all retailers studied, the open availability of applicants was a priority during recruitment.

This report will, therefore, make use of both robust existing evidence of the effects for workers of unpredictable schedules and will also provide findings from our own in-depth research into two retail case studies, one in the UK and one in California - referred to as UK Retailer (UK-R) and California Retailer (CA-R) - for further details of the methodology see appendix. Section 2 presents the evidence and reasoning that frequent unpredictable changes to schedules can result in a pervasive sense of job insecurity – which we term schedule insecurity – and that this job insecurity can lead to psychological complaints such as stress, anxiety and a depressed mental state which can potentially manifest into psychosomatic complaints. Section 3 shows the serious impact which frequent unpredictable changes to schedules can have for workers' financial situation, second jobs, education and training, caring responsibilities, family relationships and social relationships and activities. Section 4 concludes the report and Section 5 outlines some proposals to better regulate insecure scheduling.

## Schedule Insecurity

Henly and Lambert (in print) conceptualise unpredictable scheduling, which is a common feature of zero hours contracts, as one of the new workplace arrangements which Kalleberg (2009) argues generates precarious work and insecurity. The threat to valued job features was central to Greenhalgh and Rosenblatt's (1984: 441), now classic, conceptualisation, 'job insecurity', in which they state "loss of valued job features is an important but often overlooked aspect of job insecurity." However, perhaps because Greenhalgh and Rosenblatt (1984: 442) went on to argue that the threat to job features "is less severe because organizational membership and all that such membership means to the individual is not lost", subsequent research into job insecurity has tended to overlook the perceived threat to valued job features. De Witte et al. (2010), term this perceived threat to valued job features as 'qualitative job insecurity'. With this 'qualitative' aspect ignored, job insecurity has conventionally been conceptualised only in terms of continued existence of the employment, what De Witte et al. (2010) refer to as 'quantitative job insecurity', and operationalised through survey items such as "In the next 12 months how likely is it that you will lose your job?" There is therefore, a strong theoretical framework to suggest that variance in hours and schedules might be a source of job insecurity and thus potentially detrimental to psychological well-being and health.

Our research supports a causal link between frequent unpredictable changes to workers schedules and job insecurity. Frequent unpredictable changes to schedules cause both serious potential objective consequences for workers (which are examined in the next section), while simultaneously reducing workers' environmental clarity of these potential consequences and how they can be mitigated in the future. This leads to pervasive feelings of uncertainty and worry within workplaces over potential changes to schedules in the future. We term aspect of job insecurity: schedule insecurity.

A theme of the insecurity uncovered by our interviews was worry that the number of hours would be cut, and that this would have an impact on workers income. As Jimmy (worker UK-R) explained:

*"There is no sort of hour security... you work an average of forty hours a week or thirty six and a half hours a week and then when the overtime cuts come in, you are only on seven hours a week."*

Or as Rosie (worker UK-R) put it:

*"You're never secure; you're never secure in your hours."*

Ryan (UK-R union official), explained what typically took place:

*"[Managers] are saying... 'Well on a flexi thing we'll give you overtime and you can work five nights a week', 'lovely, lots of money, thank you very much.' Until one day 'oh we don't need you... and then there comes a point when suddenly their flexed time has gone down by two thirds."*

This was supported by field notes of a conversation with Jackie, a young female worker, which provides an illustrative example of the insecurity of hours and the confusion this caused:

*"Originally they'd said I would get a full day on Sunday, and then my manager said a few weeks ago that it would only be three hours, but next Sunday I've not got any, so I don't know what's happening."*

Similar experiences were evidenced at CA-R:

*“You are just wondering like oh my god are they going to change my hours, are they going to cut my hours next week, am I going to have a enough money for my rent next week” – Rachel (worker CA-R).*

*“I don’t make a lot of money and I only work thirty four hours, twenty four is nothing, so yeah I’m scared” - Joe (worker CA-R).*

This worry was so substantial that Gabriella (worker CA-R) felt that it was impossible for the work at CA-R to be enjoyable:

*“How are you gonna make your job more enjoyable when it’s not sustainable, you are always worried, how many hours am I going to get this week, you know can I afford to pay my bills, can I afford it, or I got sick, you know, can I afford to pay my bills? If I get sick, you know, can I afford to pay my insurance if I get sick, you always worry.”*

Although the informants felt that the material effect of a loss of hours was a major source of worry, this was, given the potential effects of unpredictable schedules, explored in the following section, on caring responsibilities, family life, education and social relationships and activities outside of work, not the only source of worry. Rather the interviews suggested the problem was a more general difficulty of being unable to orientate to the future, due to a lack of environmental clarity. Sandra (worker UK-R) provided an exemplar in-depth account of how this feeling was a source of uncertainty and worry:

*“It is always brought up ‘right OK were gonna have to start looking at labour matching’ the manager will say to ya, ‘you know it’s got to be done’ and then all of a sudden you will get called into an office, ‘right we need to have a chat with you’ and you’ll be all stressed about it because you can’t do certain hours... and then you won’t hear nothing for two months and then three months and then four months will go past and you won’t hear nothing again, another year down the road, because nobody is going to say to the manager ‘um we had that meeting the other day’ because they don’t want their hours changed so they aren’t going to remind him but at the same time they are stressing themselves out because they don’t know, so yeah a year down the road they [the managers] then say they have to do it again and this happened to me and my colleagues on non-food and it went on for four years. Where we were told ‘you’ve gotta change hours again’, and then we never did, and then ‘you’ve gotta change hours again’ and then we never did, and we were all so stressed out about it and we’re going ‘don’t mention it to the manager though because we don’t wanna be changing’ and then it did happen and then they went through it and I found it really difficult.. Until... I knew my rights and became a [union] rep and then I didn’t stress so much.”*

Sandra also elaborated how this uncertainty and worry was related also to the objective consequences of changes:

*“I was thinking I’m gonna be out of a job because I can’t do these hours, I’ve got two kids and a mortgage and I’m gonna be out of a job because I can’t do these hours.”*

Susan (worker UK-R) provided another highly illustrative explanation of how it is the not knowing how to orientate to the future, due to a lack of environmental clarity, which was the source of the worry, rather than the changes themselves:

*“It’s OK if you can accommodate that [change in hours] but sometimes it’s with the not knowing, so they [managers] say to you I’m going to change your hours and then you get four weeks down the line and they still haven’t done anything about it.”*

Similar experiences of general uncertainty and worry - rather than specific uncertainty over the financial impacts of flexible scheduling - came out of the interviews at CA-R; instead financial concern was interwoven with the other five consequences:

*“You don’t know what days you’re gonna have off so what days you might actually get paid and I have a job where I work during the day as well [as nights at CA-R], so it kind of just makes it that much harder because now I don’t know which day off I’m going to have to run errands.” - Andre (worker CA-R)*

This dual economic/non-economic worry was articulated particularly clearly by Brad (worker CA-R):

*“It makes it hard for anybody who has a family because how are they supposed to plan to get their kid to school or spend time with their kid, I mean, it essentially makes you feel like at any point you can be pulled away from your family and your life to do what your boss wants you to do... You can’t plan anything... It affects you whether you’re single, married with kids whatever because it does just take all the organisation out of your life.”*

It is clear then that this uncertainty and worry about future changes to schedules should be considered a form of job insecurity. This schedule insecurity was described by Tony (union official UK-R) as being the biggest issue facing retail workers:

*“Insecurity that’s a big challenge... are they gonna change their hours are they going to have their hours reduced... the biggest issue is usually that; it’s change of hours.”*

That a pervasive sense of subjective insecurity emanates out from the objective consequences of frequent unpredictable changes to schedules is underlined by the fact that 29 of the 41 workers who filled in the survey felt that their hours would either get worse or much worse over the next 12 months.

In the next section, Tony’s assertion that schedule insecurity is an acute problem will be supported through highlighting how, like quantitative job insecurity, schedule insecurity can result in psychological complaints such as anxiety, stress and a depressed well-being.



## Schedule insecurity and psychological complaints

The quantitative conceptualisation job insecurity (threats to continued employment) has consistently been shown to be highly detrimental to individual mental and physical health. For example, meta-analysis by Cheng and Chan (2008) of 172 independent samples amounting to 132,927 employees demonstrated that job insecurity is negatively related to psychological health ( $r = -.28$ ) and physical health ( $r = -.23$ ). However, De Witte et al. (2010) demonstrate that this traditional focus upon quantitative job insecurity alone is problematic, as their study of 7,146 Belgian employees in the banking sector found qualitative job insecurity (threats to job features) to be just as harmful to well-being. De Witte et al.'s (2010) finding is significant for the consideration of the likely effects of zero hours contracts as, unlike Greenhalgh and Rosenblatt (1984), De Witte et al. (2010) include the *worry that hours of work will get worse* as one of their 10 features of qualitative job insecurity. Moreover, unpredictable scheduling, particularly last minute changes to schedules ( $\beta = 0.35$ ) is shown by Henly and Lambert (in print) to be associated ( $r^2 = 0.343$ ) with psychological well-being (anxiety, personal control, and confidence in coping skills etc.). The potential for schedule insecurity to cause lower levels of psychological health and potentially cause psychosomatic complaints can be explained by Warr's (1987) concept of environmental clarity – the degree to which the environment is experienced as clear and comprehensible. Warr (1987) argues there are four elements of environmental clarity (information about the consequences of behaviour, information about the future, information about required behaviour, information after a transition). It is the second element, information about the future, which can be related to schedule insecurity. Warr (1987: 149) argues that:

*“Predictability is valued because anticipation of the nature and timing of potentially aversive events permits possible coping responses... Uncertainty about whether or not undesirable events are likely to occur inhibits these preparatory responses, and has been widely shown in the laboratory and field investigations to give rise to anxiety and other forms of low affective well-being (e.g. Miller 1981).”*

Warr (1987) determines, through consideration of the available empirical evidence, that there is a very probable causal link between uncertainty about the future and anxiety, a probable causal link with depression and almost certainly a causal relationship to discontentment.

A clear theme of our interviews was support for the importance of environmental clarity's importance for mental health. A typical experience of schedule insecurity were that it caused stress:

*“One minute you walk in and you know what you're doing and the next minute you walk in and you don't, so it does cause a bit of atmosphere throughout the whole team... it is quite stressful”* – Susan (worker UK-R)

*“They put a lot of stress on people... I used to be in tears”* – Sandra (worker UK-R)

Derek (worker UK-R) explained why schedule insecurity was experienced as stressful:

*“You can get up one day and think right I'm not working today and then get a phone call, you've not got anyone to look after your kids, or whatever, you might just be going shopping or something to do your*

*weekly shop, get a phone call, you've gotta come into work and they daren't say no and especially women with children they've then gotta run round looking for someone to look after their kids."*

Similarly Kim (worker CA-R) explained:

*"It adds a lot of stress to it because you never know what your pay is going to look like, you know it's a problem trying to pay stuff and your pay is never steady, you know your pay goes up and down because CA-R plays around with your hours; that causes a lot of stress, it's very stressful."*

And similarly by Brad (worker CA-R):

*At first [I felt] depressed because they are things I have to deal with every day. The very real concern that if my hours got cut how am I going to feed myself, how am I going to pay my bills, keep a house over my head, keep the gas in my car to get to work in the first place."*

Some informants went further, stating that this schedule insecurity led not only to stress but also anxiety and depressed well-being:

*"A whole lot of stress and anxiety... it's sad, it's heart breaking, I did a lot of crying, you know I have to hold back tears mostly every time I talk about it, I've had a lot of therapy just from working at CA-R, mental therapy for stress management, anxiety management, just from working there." - Akria (worker CA-R)*

Ali (union official CA-R), suggested that this stress, anxiety and also depressed well-being might manifest into psychosomatic complaints:

*"It's very stressful, you know there are many employees who might never have had problems with anxiety or depression but when they start working at CA-R they have to start going to the doctor and get, you know, medication or if they had these existing conditions it's made it a lot worse, whether it is high blood pressure, so you know it's affecting people not just mentally but physically as well."*

## Consequences of employer induced flexible scheduling

Above it is shown that frequent unpredictable changes to schedules causes schedule insecurity through reducing environmental clarity of adverse and undesirable consequences and simultaneously increasing the propensity of these consequences. It was also stated that these consequences were potentially serious from the perspective of the individual and that schedule insecurity is a function of both the uncertainty over future changes and the potential severity of the consequences of these changes to schedules. These serious consequences included:

- Financial instability and an inability to confidently plan finances
- Reduced ability to take advantage of additional earning opportunities
- Reduced ability to fulfil educational and training programs
- Reduced ability to undertake caring responsibilities for children, grandchildren and parents
- Impairment of family relationships, especially with children and partners
- Curtailment of social relationships and activities

Each of these six consequences will be examined below before the next section makes some policy suggestion in order to reduce both these objective consequences and the subjective schedule insecurity which they emanate from.

### Financial instability and inability to confidently plan finances

Lambert (2008) provides evidence that unpredictable scheduling creates a situation whereby there is little stability around which workers can structure their finances. A common theme of our interviews was the potential impact on financial stability. Not knowing how many hours they would be granted made income unpredictable and thus made it difficult for individuals to confidently plan expenditure. As Ryan (union official UK-R) explained:

*“It only becomes a problem when suddenly their income has dropped by two thirds and suddenly they’ve got this mortgage, bills and God knows what else.”*

Martin (union official CA-R) elucidated a similar common situation at CA-R:

*“There is no stability in their work hours, no predictability, no reliance, so for the workers it’s kind of hard to judge their living expenses, or just, no one knows if they can just go out and enjoy a movie or not, or enjoy a fun afternoon because they don’t know what their schedule might be next week and they might need to save the little bit of cash they have on them to pay their bills.”*

This was a problem expounded by Vincent (worker CA-R), who lived with his wife, new born baby and two young children:

*"It's hard to calculate your bills and to do all that because I don't know in a couple of weeks what my [pay] checks are going to look like, it could be a small check I could get like four hundred dollars, I could get six hundred dollars, you know it could fluctuate all the way up to seven hundred dollars, I don't know it's hard to know, we have our phone bills coming up, we just paid our Edison, our light bill today, it was late, it was pretty late. So we try and do other things to try and stay afloat, to make ends meet, we sold some breast milk to some guy....I also do clinical trials."*

This difficulty was aggravated by the fact that the scheduling practice utilised at UK-R and CA-R could result in some workers facing weeks with very low hours, leaving workers to attempt to survive on very small incomes during these periods as Derek (worker UK-R) explained:

*"Nobody can possibly survive on three and a half hours' pay a week. And then it boils down to you've got your three and half hours contract plus you've got flexed-time which they will give you if they need you. But once your face doesn't fit you don't get any more hours and you might as well stay on the dole really."*

This was also supported by UK-R fieldwork observations, for example: "Ravel was telling me how he couldn't survive on eight hours."

### **The unaffected**

Only two informants explained that frequent unpredictable changes to schedules were completely unproblematic. Both these informants were white male young adults without dependents. Toby explained that it was unproblematic because:

*"I'm quite flexible and easy going so unless it was something big time bad it wouldn't really bother me."*

And James explained that:

*"If I can get more hours then great, if I need to change my hours I can swap it anytime and they are flexible like that they try and help you out like that as much as possible."*

They did not provide further details but we can speculate that, for these two informants, unpredictable frequent changes to schedules did not have the same consequences as they did for others, because of their non-work situations. For example, they may have lived with their parents (providing some financial security); they may not have had children or older parents (meaning that they were free from caring responsibilities). Unlike many other young workers they did not indicate that they had second jobs, or that they were undertaking education or training schemes and potentially they could have lacked typical family and social attachments (especially romantic ones) which require stable, regular contact and stability with which to plan activities.

Nonetheless, Toby explained that one the reasons he had joined the union was for protection against his hours being changed in a way that he was unhappy with. Alternatively, James seems to have been experiencing high levels of informal schedule input which Henly and Lambert (in print) demonstrate as reducing the impact of unpredictable scheduling on work-life conflict and strain.

At CA-R the financial hardships encountered during these periods could be extreme, requiring extraordinary measures such as using food banks, taking on debt, lapsing on rent and utility bill payments and even losing one's homes and having to move in with relatives.

As Brad explained:

*"When CA-R does things like cut our hours... many employees have to use food banks because of it, will have to borrow money that we can't really ever pay back; it is a very poor way to have to live."*

This risk of debt was reiterated by Francisco (worker CA-R):

*"It's tough sometimes you get 32 hours [instead of 40] and you're short on some to pay your bills, then you borrow some money, I don't like to borrow, even from my brothers and sisters, but I have to sometimes."*

And Claire (union official CA-R) described financial effects which were even starker:

*"One week you might have six hours, literally six hours for the week and the next week you might have 32 hours, you don't know when it's coming, it's very hard... you can't raise a family, you can't pay your bills, I've heard employees saying 'I have to choose between eating and paying my rent', that's a terrible thing they shouldn't have to choose."*

It was also suggested in the interviews at UK-R that workers had difficulty accessing credit, such as mortgages, when they were only guaranteed a few hours of work a week.

### **Reduced ability to undertake additional earning opportunities**

One way to counter low hours and increase income stability was to have a second job, which would ensure additional weekly income; however, workers' ability to do so was limited by the unpredictable nature of their hours. As Jerome (worker CA-R) explained:

*"Now I've got two jobs, 'OK fine you want to give me 20 to 30 hours, OK fine leave it at that' and now all of a sudden that's a conflict, so now you're jeopardising my other job, but I have to take another job in order to make ends meet."*

Emma (worker CA-R) made clear that this was a widespread problem:

*"Because you make so little at CA-R, there's so many people who want to get a second job and they can't because CA-R won't work around that schedule so you are really stuck in a really tough position."*

Similar problems were reported at UK-R:

*"So they've got a second job but then suddenly the manager has come and said 'ah but you've agreed to come in, so you've gotta come in and do [it]' and then they've got a problem" – Ryan (union official UK-R).*

*"You get ten hours to work and they give you that ten hours but then they call with twenty four to forty eight hours' notice to come and do the job and if you have a second job, then there is a problem for you"*

*to come in and do that but then in the contract they are putting that if you are not able to do it then they can give you the sack or they can give you a disciplinary and after three disciplinaries they give you the boot which is not very fair.” - (Bryah, worker UK-R)*

It was also observed, during fieldwork at UK-R, how the tendency for low core hours to be spread out thinly across multiple days, such as two hours a day, caused problems in fitting in other work around working at UK-R. Likewise the short notice period given for additional hours caused similar problems, even if the second job allowed for a high degree of employee induced flexibility.

### **Reduced ability to undertake educational and training programs**

Workers' at CA-R attempting to improve their earning capacity, through furthering their education and skill set, were also adversely affected by the unpredictable nature of hours and schedules. This made it difficult to plan their time in order to avoid work and study clashing. Some informants even felt that it was not possible to work at CA-R and simultaneously undertake studies, as the lack of stability in hours made it impossible to plan work so as to not miss classes.

Emma (worker CA-R) provided an especially detailed, but common account of the problems which CA-R's flexible scheduling caused to her education:

*“I actually, personally, dropped out of college three times mid-semester so that dropped my GPA [Grade Point Average – the university entry tariff for transferring from community college] by a ton because I've got those marks on my record now and it was horrible because when I first started at CA-R they have an orientation and they tell you... ‘they're really for college students, so if you wanna go to college just let them know and they will fix your schedule, no big deal ’ but it's not like that at all... at first they fixed it and it seemed OK, then two weeks later they started slightly shifting hours... and then a few weeks after that they stopped entirely and I went up to the manager and I remember asking her ‘hey I can't work these hours I have to go to school, you guys know this’ and she's like ‘well you can either work or go work somewhere else’... All most nobody has a set schedule and its hard coz you can't plan a life around that... you can't go to school because you can't predict anything... I'm 22, I'll be 23 in October. [Interviewer: “and you've already had to drop out of school three times?”] Yes, my dream is to go to UC Berkeley, but I don't think it will ever happen.”*

### **Reduced ability to undertake caring responsibilities for children, grandchildren and parents**

Lambert et al. (2012: 304) demonstrate that unpredictable scheduling has important implications for childcare responsibilities including “being late to pick up children from a childcare provider, missing dinnertime or children's bedtime routines, and in some cases leaving children unattended when last-minute childcare coverage was unavailable. A recurring concern raised in our interviews was the major impact that flexible scheduling had on childcare responsibilities at both UK-R and CA-R. This was because managers expected their employees to accept schedule changes which would require them to work at times when they had childcare commitments. Marge (union official UK-R) explained how even small adjustments to workers' schedules could have significant repercussions on childcare:

*“Asked to move your hours by 15 minutes, and to most people you'd think, ‘oh that's OK, that's not too bad,’ but if you're a single mum and you've gotta get two kids to school and you're being asked to move*

*your hours 15 minutes and you can't then get your two kids to school... then 15 minutes is a big change to you and it's about not treating people as individuals."*

As Asim (worker UK-R) highlighted, workers may have feared that if they refused to change their schedule they would lose their job. As a result workers were often willing to endure significant difficulties:

*"They balance their work life with their family life i.e. dropping their kids off or having carers and when suddenly the business is like 'you have to change your hours again' it affects them, it affects them immensely because they have to start it all over again, they have to balance their family life because they don't want to lose their job, so they have to make a lot of sacrifices."*

Employer induced flexible scheduling was particularly problematic for parents in low income families. Such families could not afford professional childcare. Childcare provision therefore required that it was planned as a family unit, so a change in any members' schedule effected the entire family unit's childcare planning making these arrangements especially vulnerable to unpredictable schedule changes.

*"People have jobs that fit in with their husbands, that fit in with their children to look after their grandchildren, so their children get jobs to suit the hours, so you know I can do a Monday, Tuesday, Wednesday because 'Mum doesn't work Monday, Tuesday, Wednesday and then all of a sudden the mum says 'I've now gotta work on Monday, Tuesday, Wednesday,' the daughter's then threatened because 'who is going to look after my child' because you know not everybody can afford child minders, not everybody wants to leave their child with someone they don't really know – they want to leave them with family" - Sandra (worker UK-R).*

This was also a common problem at CA-R as Twanda (worker CA-R) explained:

*"If you let them know 'hey I can't be here after six because I have to pick my kid up for school or day care or wherever', they do not care, they flat out just don't care. So scheduling is a big issue for the parents."*

But at CA-R, perhaps because of low levels of state assistance, workers could not afford either childcare or to lose work. This meant flexible scheduling had serious repercussions as parents were required to leave children unattended. This sometimes led to the intervention of state officials:

*"I've talked to many co-workers who've had... child protective services have to come to their home... sometimes children's services end up at your house; behind CA-R's scheduling and if you go and talk to the manager and let him know that you have small children and need your availability changed so you can still take care of your family and be able to provide for your family they won't work with you." – Akira (worker CA-R)*

Primary childcare was not the only element of caring impacted, as elucidated above, by Sandra, low income families could not afford professional childcare and therefore relied on family members such as grandparents. When these grandparents were still in work (as is often the case in low income families),

the family unit as a whole were required to plan their work times so as to ensure they were available to provide childcare when needed. One of the major demographics employed at UK-R were older persons who are likely to have grandchildren. Mark reiterates, how this is a problem for the low wage older workforce at UK-R, of which he was a part:

*“People have incredibly complex lives because they’ve been married twice and their children have been married twice and they’ve got seven sets of grandchildren... so their lives become complicated, and complex lives like that, with no money, are no fun at all, so yes it is very stressful because people’s lives are more complicated now a days.”*

Conversely workers’ ability to similarly care for their aging parents was also adversely affected.

### **Impairment of family relationships, especially with children and partners**

Henly and Lambert’s (in print) analysis of a sample of 112 female retail employees of the same firm at 21 workplaces robustly demonstrates, despite the small sample size and controlling for age, care giving responsibilities, second job and managerial role, that predictability of scheduling (advance notice of schedule, last minute changes to schedule, days worked to scheduled mismatch, day worked instability and schedule input) is associated ( $r^2 = .481$ ) with general work-life conflict (work demands interfering with personal or family time, creating strain that makes it difficult to fulfil personal or family responsibilities, and causes them to adjust their personal plans). Having one week or less advance notice ( $\beta = .21$ ) and last minute changes to schedules ( $\beta = .17$ ) were particularly important. While predictability of scheduling, particularly having one week or less advance notice of schedules ( $\beta = .32$ ), is associated ( $r^2 = .379$ ) with work-time conflict (adequate time to plan non-work activities: doctor appointments, activities with friends, family outings and cook a meal at home).

In our research the unpredictable nature of the scheduling was likewise highlighted as impairing worker’s ability to plan and thus impacted on general family life. For example, spending time with children and partners and undertaking family activities which required pre-planning. As Gabriella (worker CA-R) explained:

*“When you don’t have a set schedule... you cannot plan with your family because if a birthday is coming and you want to go to the birthday or organise a party for your family or even go on vacation or whatever you have to do, it is very very hard to fit into that time frame that they give you to work.”*

Even if a worker did manage to have their schedule changed so they could spend time with their family, this carried the risk of an unaffordable cut in hours. As Kim (worker CA-R) detailed:

*“When I’ve asked if I can have my schedule rearranged so that I can make time for family activities there first remark is that ‘well your hours are going to be cut’ that is always their first remark.”*

Experiences at UK-R were similarly marked by the disruption of family relationships. The situation described by Anna (worker UK-R) being symptomatic of this:

*“Those are the hours they took people on on and all of a sudden now they keep saying ‘needs of the business’ but there are needs of the family as well... We had one girl and they put her on four late nights a week and her two kids are five and two and by the time she got home they were in bed and*



*she said I get two hours in the morning with them and that was it apart from Sundays, and that's the only day her kids saw Mummy and she said it's not a life for them. It causes problems at home as well because her husband was doing everything he was coming in from work at six o'clock and picking up the kids from the child minder, he was doing everything and she said it hurts you when they go to their dad as he's the one who has got them all the time and when their dad leaves they cry and then you think well actually my kids are worth more than UK-R."*

Even when the family did not involve children, unpredictable scheduling could cause problems for family relationships. For example, Susan (worker UK-R) explained:

*"It's very hard moving things around... I've got a partner, so it's having a normal life out of here, he works in an office, Monday to Friday shifts, 9 to 5 sort of thing, so it's having a normal life outside of here and UK-R don't realise that I'm afraid, they think you are just here for them."*

This barrier to the typical levels of social contact needed to maintain relationships could be compounded if both individuals were employed at workplaces utilising flexible scheduling:

*"Now that Paul [another UK-R worker] is living with me, we've set aside Saturday as a day to do something - me, Paul and my son - as a family... she [Sara's manager] now wants me to work Saturdays... it's all up in the air." – Sara (worker UK-R)*

### **Curtailed social relationships and activities**

Beyond the impact on the family, flexible scheduling is problematic because of its potential to disrupt plans surrounding social relationships and activities outside of work. Parent-Thirion et al's., (2012: 91-92) analysis of the European Working Conditions Survey (N = 43,816 across 34 European countries) found that schedule changes increase problems with work-life balance from 14 per cent for workers who don't experience changes to 35 per cent for those who only know about these changes on the same day, 30 per cent for those who know about them the day before, 25 per cent for those who know about them several days in advance and 21 per cent for those who know about them several weeks in advance. Parent-Thirion et al., (2012: 91-92) also found that regularity of working hours (same number of hours every day, same number of days every week, same number of hours every week, fixed starting and finishing times) also impacts on work-life balance. Twenty eight per cent of workers with no regularity in their working time have work-life balance problems compared with 13 per cent of workers with very regular schedules.

Our research found that unpredictable nature of scheduling made it impossible for workers to plan their lives. This was in part, due to the variability in workers income, as shown above. For example, Jerome (worker CA-R) described how:

*"People have to be mindful of how they are spending their money, you know I'm not going to go out and spend money frivolously because I'm going to get x amount of dollars next week, you don't know, just because they say OK you're going to get x amount of hours."*

However, the curtailment of social activities was far more widely understood as being principally due to the unpredictable nature of the scheduling itself rather than the variability this caused for workers' incomes. The unpredictable nature of their schedules caused workers to experience their lives as being

in disarray. This was because they were unable to initiate plans and thus felt a lack of control and power over their lives. Susan's (worker UK-R) experience was indicative of this disarray:

*"You plan something and then they say 'oh can you come in and do something different' and you feel compelled to do it. So you're changing all everything around and sometimes it's not as easy as they think it is."*

Brad (worker CA-R) provided a lucid, but emblematic explanation of how this instability interfered with his ability to plan his non-work life, and left him feeling powerless:

*"How am I meant to plan my life around [this scheduling]... I would compare it almost to feeling like a slave in the sense that your power to control your own life is taken from you because you have to work, don't you, and they are just going to make you do it whenever and wherever they want and that's just the way it is... you just can't plan anything and your life is just in disarray."*

Gabriella (worker CA-R) contrasted the experience of flexible scheduling to that of traditional stable scheduling in order to elaborate on this issue:

*"When you have a stable schedule you have the opportunity to plan what you are going to do for that day before you go to work or after you come from work, it doesn't happen here... it causes problems because if you have something to do in your personal life you don't know how to plan."*

Inability to plan one's life acted as a barrier to maintaining social relationships and activities. As Brad (worker CA-R) continued:

*"You never know when you'll be free to go... there have been groups that I've wanted to join for something and I've had to drop out or say that I couldn't do it because I won't be able to guarantee that I'd be there when they need me to be there... it just takes all the organisation out of your life."*

Similarly Francisco (worker CA-R) connected an inability to plan, with not being able to undertake social activities:

*"If you've got permanent working hours and permanent days off and everything, you know what to do, you can plan for your schedule and everything but if they keep on changing it, it looks like they own your life already, you can't do anything... now I work yesterday, I was off the other day, then now I'm off again then maybe by next week I'm gonna work six days in a row, or seven days in a row; how am I gonna plan my life... with your schedule you don't even have time to go for sports or hobbies... I can't plan anything... If they change your time, every time that you go to work and they change your day off that means that they own your life already because they let you work anytime they want, any day they want and you know you can't even plan for your life... He [your manager] owns your life already nothing more, because you can't do what you want to do; that is how it works."*

Rachel (worker CA-R) went even further saying:

*“Your schedule is such a yo-yo you can’t have a life.”*

The above objective consequences for workers varied in severity depending on personal circumstances. However, the severity of these consequences was distributed across the workers meaning that the many workers were affected in some way by the consequences of unpredictable scheduling. For example, for some workers the most significant consequence of flexible scheduling was for their inability to fulfil childcare responsibilities, while for other workers it was the detrimental effect on their education and for others the impact on their ability to plan their finances.

## Conclusions

The findings of this report have highlighted how instability in workers schedules, which is symptomatic of zero hours contracts, is also generated by other mechanisms of employer induced schedule flexibility. This report demonstrates that employer induced schedule flexibility should be understood as causing a qualitative form of job insecurity - which is termed *schedule insecurity*. Schedule insecurity, like quantitative job insecurity, can lead to low psychological wellbeing and potentially psychosomatic complaints. Schedule insecurity can be understood as emanating from the combination of the fact that frequent unpredictable changes to schedules have both serious objective consequences while simultaneously reducing workers' environmental clarity of future consequences and how they can be mitigated. The main objective consequences were identified as:

- Financial instability and an inability to confidently plan finances
- Reduced ability to undertake additional earning opportunities
- Reduced ability to take advantage of educational and training programs
- Reduced ability to fulfil caring responsibilities for children, grandchildren and parents
- Impairment of family relationships, especially with children and partners
- Curtailment of social relationships and activities

This report shows the potential seriousness of employer induced flexibility for workers. Urgent action is needed to protect workers, especially those who are most vulnerable to the problems outlined above and therefore at greatest risk.

## Policy recommendations

Both of the individual and societal consequences of zero hours contracts and other flexible scheduling mechanisms require policy interventions to protect vulnerable workers and dissuade employers from unnecessarily utilising harmful variations in workers' schedules and hours, whilst maintaining a business environment conducive to employment growth. Henly and Lambert (in press) demonstrate that even informal employee input into schedules can significantly reduce some of the negative consequences of unpredictable scheduling, however, given contemporary loose labour market conditions and the prevalent financialised evaluation of firm performance, Lambert (2014) argues that the ability of employers to voluntarily reduce cost containment policies, such as the flexible scheduling of low-level jobs, is highly limited. With this in mind this report makes the following recommendations:

- The first step is for policy discussions to be better informed by evidence. Policy discussion of the problems emanating from zero hours contracts has been adversely affected by a tendency towards the unjustifiable conflation of employee induced flexibility and employer induced flexibility. The fusion of the two distinct concepts cannot be maintained theoretically or empirically and has led to confusion amongst policy makers and a distorted evaluation process. The policy discussion has also been unwarrantedly focused upon zero hours contracts, a particularly exotic, but loosely defined form of employer induced flexibility. This is perplexing when the problems being discussed are symptomatic of wider mechanisms of schedule variability, which represent far more prevalent ways of employers achieving schedule flexibility.
- Employees should be granted the 'right to make statutory applications to work additional core hours and/or to have greater schedule security.' This would work along a similar process to the current 'right to make a statutory application to work flexibly'. Accordingly, an employer rejecting a worker's application would have to provide in writing the business reasons for rejecting the application and how the employee can appeal. Employers would only be able to reject an application for one of the following reasons:
  - Extra costs which will damage the business
  - An inability to meet demand

Additionally the business reasons could be challenged if an employer's subsequent actions contradicted them. For example, hiring new workers or the recurrent utilisation of overtime facilities to cover hours previously requested by existing workers might be likely contradictions of the stated business reasons. So as to ensure compliance and to encourage employers to voluntarily securely schedule workers in the first place, rejected applications during each financial year would need their business reasons audited (ACAS' role could be expanded to serve this function) by the end of that year. To cover the cost of this auditing and to create an economic incentive to schedule workers securely in the first place a nominal minimum fee would be charged for each application audited. A fine would be administered for each business case which failed its audit and a public league table created of the worst offenders.

- A statutory Code of Practice for scheduling should be created and encompass all best practice associated with scheduling – including providing employee input into schedules. Employment Tribunals would be instructed to take into account whether the employer was following the Code of Practice in all relevant cases. For example, not following the Code of Practice would be considered in cases of constructive dismissal and discrimination.

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## Appendix: Methodology

Although increasing in propensity 'zero hours' contracts remain uncommon making data collection difficult, and as BIS (2013) recognise, their own definition is fairly loose. In fact, it makes more sense to consider zero hours contracts as subset of the wider mechanisms by which firms achieve scheduling flexibility. Therefore, this research uses as proxies other, more prevalent, forms of flexible employment relations, which are nonetheless, similarly likely to result in the variability of hours and schedules which 'zero hours' contracts engender. Three proxies were utilised: 'at will employment' in the United States which is very similar to the BIS (2013) definition of zero hours contracts. For example, Lambert (2008: 1207) shows through a US retail case study of at will employment that "regular part-time jobs may be a key tool that managers use to vary work hours" and that workers hours varied greatly and schedules were posted with limited advance notice, on average hours varied by 10-15 hours a week; with part-time workers' sometimes receiving zero hours whilst full-time workers receive only part-time hours. Formal and informal core hour contracts (where workers are guaranteed core hours of work but are also expected to work additional hours at short notice), and labour matching induced changes to the schedules of workers on standard contracts. At both cases, despite being achieved through these different mechanisms, all three proxies led to frequent unpredictable changes to schedules. The findings from these proxies are used to infer the likely problems which result from the variability in schedules which zero hours contracts embody.

In order to undertake this investigation, two major employers - both innovators of flexible scheduling and which require their employees to work varying hours - were chosen as case studies. The two employers have similar profiles, both being large retailers with dominate market positions. A cross-national design was chosen to compare the effects of differences in employment laws, however to ensure that too many variables were not introduced, the cases selected were located in similar liberal market economies: the United Kingdom and California. One significant difference, between the two locations, is the provision of healthcare. In California the healthcare system is based upon employer based insurance provision, with state insurance provision only covering those unable to access employer based insurance due to insufficient income or hours – however this was the case for most of informants.

The cases will be referred to as United Kingdom Retailer (UK-R) and California Retailer (CA-R) and all data was anonymised. Data collection took place between June 2012 and June 2013 and comprised of 39 semi structured interviews with 35 informants at UK-R these informants contained 29 non-managerial hourly paid employees (of which 19 were union reps) and 6 union officials. Additionally, five days of union organising and three union team meetings and a branch meeting at the employer were observed. Workers were also additionally asked to fill in surveys, resulting in 25 completed surveys. The purpose of the surveys was to complement interviews by allowing comparison of key factors and therefore enable the interviews to be less structured (they were not intended to be used to infer meaning separate from the interview and / or observational material). The researcher also undertook 2 months of participant observation at one of the employer's large retail stores with a workforce of approximately 200 employees.



At CA-R data collection took place during two fieldwork trips the first for a month between mid-February to mid-March 2013 and the second for two weeks at the start of December 2013 and comprised of 40 interviews with 31 informants consisting of 24 non-managerial hourly employees (four of which had recently been terminated), one recently terminated salaried assistant manager and six union officials. Additionally union organising drives at six stores and two union meetings were observed. Current employees were asked to complete the same survey as employees at UK-R, resulting in 16 completed surveys. Both the 79 interviews with 66 informants and observation fieldwork notes from the two cases were entered into Atals.ti and coded, yielding over four thousand initial codes. These codes were then combined to create focused codes, as suggested by Charmaz (2006).