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HAS WORK BECOME LESS SECURE?

Examining the evidence on
employment security

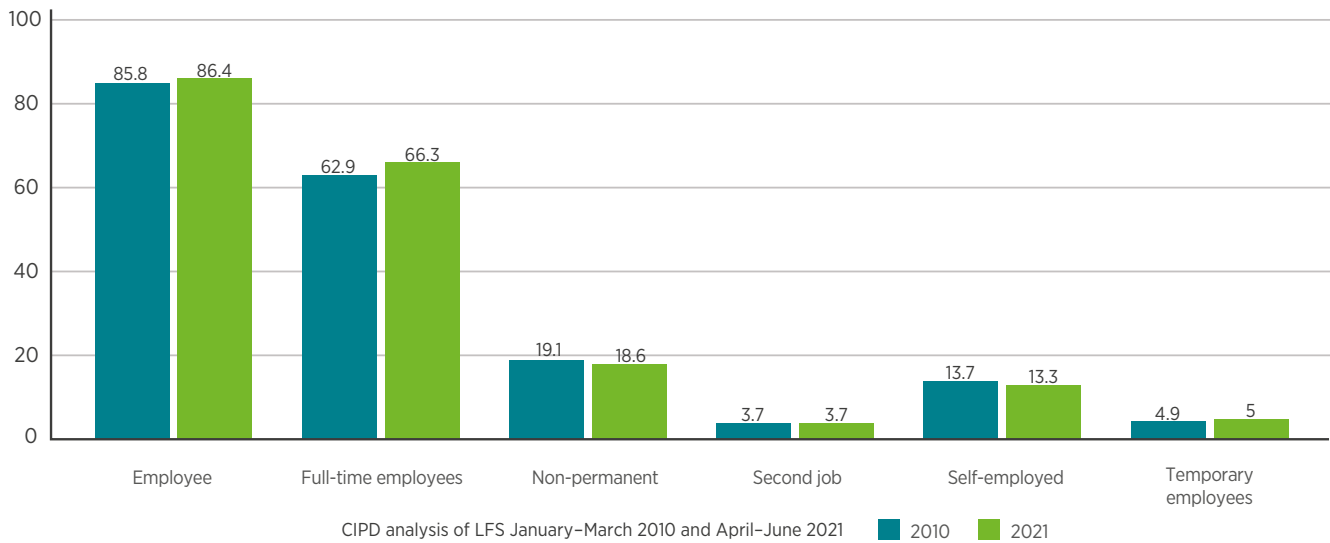
Executive summary

There is an oft-cited view that work in the UK is becoming less secure.¹ However, this report shows that unemployment, long-term unemployment, and inactivity all decreased in the past decade, as did redundancies and competition for jobs. Fewer workers had variable hours, worked part-time involuntarily, or were underemployed. Low pay and variable pay both declined.

*Work is actually becoming
more secure.*

¹ Harrison, B. (2020) *How will the COVID-19 crisis impact insecure work in the UK?* Available at: <http://www.lancaster.ac.uk/work-foundation/news/blog/how-will-the-COVID-19-crisis-impact-insecure-work-in-the-uk>

Figure 1: Change in the structure of employment, 2010–21 (% of all workers)



Source: Labour Force Survey²

While employment security has increased on most measures, about a fifth of the workforce are in non-permanent employment. However, the proportion of people in non-permanent employment has changed little over the last 20 years and overall, the evidence shows that most people choose this type of employment because it suits their lives or working preferences.³

Most non-permanent workers are choosing this type of employment because it suits their lives or working preferences. But even within the much larger permanent workforce there are substantial pockets of insecurity. In the workforce as a whole, 7.8% of people say they would like to work more hours, and 2.7% are working part-time involuntarily because they were not able to find a full-time role.

So what does this mean?

Examining the evidence shows that choice and job quality should be at the heart of discussions about different ways of working, as opposed to honing in on marginal forms of employment.

Attempts to limit choice risk eroding worker welfare. It could even risk access to employment by preventing people from finding work that fits with their lives.

A labour market with more choice will include diverse ways of working, including some forms of work that are less secure, but which suit individual preferences.

Key recommendations

To enable the focus to remain on broader job quality, the CIPD’s key policy recommendations concentrate on enforcement, and skills and learning.

Enforcement

The most effective mechanism for protecting people’s employment rights across the economy, regardless of their contract type, is through the labour market enforcement system. While the UK’s labour market does provide flexibility for employers and protections for individuals, it is undermined by inadequate enforcement.

The CIPD is calling for a strengthening of state and individual enforcement of employment rights as part of the forthcoming establishment of a new single enforcement body (SEB). This should include a much stronger focus on supporting employer compliance and raising employment standards.

² Taken from Labour Force Survey cross-sectional analysis: Northern Ireland Statistics and Research Agency, Central Survey Unit, Office for National Statistics, Social Survey Division, 2021, *Quarterly Labour Force Survey*, April–June 2021 [data collection], UK Data Service, Accessed 15 October 2021. SN: 8826, <http://doi.org/10.5255/UKDA-SN-8826-1>

³ Labour Force Survey April to June 2021.

Table 1: CIPD recommendations for enforcement

<p>Increase the number of labour market enforcement inspectors to one per 10,000 workers.</p>	<p>The UK Government should take full responsibility for compensating employees and taking action against employers for non-payment of employment tribunal awards.</p>	<p>Double Acas’s budget to boost its ability to advise small employers and individuals on people management, workplace conflict and employment rights.</p>
<p>Allocate SEB inspectors on a regional as well as sectoral basis to ensure local employers and their staff are made fully aware of relevant employment legislation and rights and are supported to deliver them effectively.</p>	<p>Ensure the SEB is adequately resourced and has the power to make decisions on a range of areas.</p>	<p>Invest £13 million a year in England* to provide high-quality HR support to small firms via the Growth Hub network to support efforts to improve compliance and boost job quality and workplace productivity at a local level.</p>

*There would also need to be consequential funding to Scotland, Wales and Northern Ireland to improve the availability of accessible HR support for small firms across the UK.

More information is available on pages 29–30 of the report.

Skills and progression

While improved labour market enforcement can help ensure people’s employment rights are protected, it won’t help them develop the skills they need to find higher-paid, better-quality work.

Opportunities to gain skills and progress at work mitigate against low pay and insecure work. After years of declining investment in employer training and growing evidence of the inadequacy of the Apprenticeship Levy, policy-makers need to do more to support employers to invest in their workforce.

The CIPD is calling on UK Government to reform the Apprenticeship Levy into a more flexible training levy to enable them to invest in both apprenticeships and other forms of accredited training and development which are often better suited to business and learner needs.

Table 2: CIPD recommendations for skills and progression

<p>Offer a wider training levy to help businesses invest both in apprenticeships and other, more flexible and cost-effective forms of training.</p>	<p>Introduce Individual Learning Accounts (ILAs). If designed in the right way, ILAs offer flexibility and individualisation to support learners throughout their working lives.</p>	<p>Encourage and incentivise more employers, particularly small firms, to invest in improving their people management and development capability.</p>
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More information is available on pages 30–31 of the report.

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The full report is available on the CIPD website.