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Monitoring the Flexible Workforce

by Ursula Huws

INTRODUCTION

The word 'flexibility' is currently used in a variety of different ways to describe a wide range of forms of work organisation which, although rarely new in themselves, have increasingly been introduced since the mid 1980s. These include the so-called 'internal flexibility' brought about by multi-skilling which enables workers to be shifted from job to job as required; and the use of a variety of casual, on-call, temporary and part-time staff. The word is also used to describe the increasing use of subcontracting and of homework, both with and without the assistance of information technology. The latter are often described as 'external flexibility'.

As the word suggests, by their very nature, these forms of work organisation involve a fluid movement across traditional demarcations and throw into doubt the discreteness of many of the categories used in conventional classification systems, including occupational, industrial, and locational categories and categories relating to economic activity rates, establishment size, employment status and working hours. When measuring the size of an organisation's payroll, for instance, should temporary or on-call staff be included? And what about homeworkers, or agents paid on commission? To take another example, under what occupation should multi-skilled workers be categorised when their job descriptions require them to shift between several distinct groups of tasks in response to the employer's requirements? And what is the 'normal working day' in an organisation which, like some large supermarkets, has over a hundred different shift patterns in simultaneous operation spread over a total working week of up to 80 hours?

This paper does not attempt a systematic review of all labour market statistics in relation to flexible work. Its intention is merely to illustrate some inadequacies of the existing statistics as I have experienced them in the course of my own work as a practising researcher in this field.

Before doing so, however, it is worth making two general points. The first is that, although not exclusively so, the study of flexible workers is overwhelmingly a study of women workers. Many of the difficulties encountered in researching flexible work are not in fact new, but exacerbations of problems which have long been recognised in the use of official statistics for the study of women's employment.

The second is that the rapid growth of flexible forms of work during the past decade has been a reflection of other changes taking place in the organisation of work, as a result of technological change, of economic restructuring and of deregulation. Again, some of the problems which have been thrown up in relation to the interpretation of labour market statistics are not exclusive to the study of flexible forms of work but are characteristic of the more general difficulties of extracting information about rapidly changing dynamic trends from essentially static data sets. Ironically enough, to the extent that reclassification has taken place to take account of changing workplace realities, this has compounded the difficulties of measuring trends, by removing the basis for comparability over time.

DIFFICULTIES CAUSED BY INDUSTRIALLY-BASED CLASSIFICATION

While it has many advantages for other purposes, the classification of employment by industrial categories in many instances (for instance in the *Census of Employment*), creates many difficulties for the researcher into flexible work. There are a number of reasons for this:

The first is that the Standard Industrial Classification (SIC) categories themselves do not always reflect reality very clearly. Many large corporations (for instance ICI, Unilever or GEC) span a number of different sectors in the scope of their activities and the assignment of many of their staff to one sector rather than another must be fairly arbitrary. In other industries, convergence between sectors has been brought about by technological change rather than by ownership structure. An example of this would be the convergence between computers, office machines and telecommunications which has taken place over the past two decades, producing end-products which not only incorporate elements from all three but which may also be marketed to both commercial and domestic consumer markets.

A greater difficulty, from our point of view, is the way in which workers are classified according to the industrial activity of their employer, rather than to their relation to the production process. Thus a cleaner, lorry-driver or graphic designer working for Fords would be classified under the car industry, but the same workers, doing the same jobs for companies to whom Fords had sub-contracted the work would be classified under the relevant service industry. The growth of sub-contracting in recent years has therefore produced some degree of statistical change - in the apparent rate of decline of some manufacturing industries, and concomitant growth of some service industries - which does not reflect any real change in who is actually doing what work for whom. A similar effect may in some cases be produced by the breaking up of large organisations into smaller specialist subsidiary companies, operating as separate profit centres.

Even more serious, for the purposes of analysing the flexible workforce, is the lack of detailed occupational data in these industrially-structured statistics. Because of occupational segregation, the vast majority of women workers, and also the majority of 'flexible' workers' are concentrated in a fairly narrow range of what might be called 'service' occupations, many of which are common to a large number of different industries. These include manual occupations, such as cleaning and catering, and non-manual ones, such as typing, book-keeping, data entry, filing and reception or switchboard operation. Because their skills are not industry-specific, these workers' fate is not necessarily tied to that of any particular industry and, even when in full-time permanent employment, they may move frequently from sector to sector. Indeed, some part-time workers may simultaneously hold jobs in more than one sector. A cleaner, for instance, may clean offices at night and homes during the day; a catering

worker might serve school dinners at lunchtime and pints behind a bar in the evenings. Similarly, a 'temp' typist might work in a bank, a civil service department and the headquarters of a manufacturing or retailing company during the course of a single week.

In short, the industrial classification of employment serves to obscure, rather than illuminate, the dynamics of employment in these cross-industry categories. In order to monitor the fate of such groups of workers, what is required is occupational data broken down into the sort of detail which is available from the *Census of Population*, and directly comparable to it.

LACK OF A CONSISTENT DEFINITION OF PART-TIME WORK

Since the late 1970s, when the Low Pay Unit published Jennifer Hurstfield's pamphlet, *The Part-time Trap*, the lack of consistency of the data on part-time work has been a complaint of researchers in this area. As she pointed out, there is no single definition of part-time work in terms of the number of weekly hours worked, with the *Census of Population*, the *New Earnings Survey* and the *General Household Survey* all using different definitions. While the actual definitions used in these various surveys have been modified since that date, the inconsistency remains.

Because of the different sampling methods used, there is also often a confusion, in the interpretation of these figures, between the number of part-time jobs, and the number of part-time workers in various occupational or industrial groups. Because, as already noted, some part-time workers, and indeed some full-time workers, hold more than one job, the two cannot be said to be identical. The tendency to count jobs, rather than quantify the hours of work they contribute, is a common failing among labour market analysts, and has led to an exaggerated view of the growth of certain service industries, such as retailing, catering and financial services, which have in fact witnessed not only a rapid growth of part-time working, but also a reduction in the average number of hours worked by part-time workers, in recent years.

However this tendency cannot be blamed entirely on the statistics. The *New Earnings Survey* does in fact provide a very useful breakdown of part-time employment by the number of hours worked. Unfortunately, though, the *New Earnings Survey* has other deficiencies which seriously restrict its usefulness as a comprehensive source of information about part-time working.

Because it is based on National Insurance records, it omits all workers whose earnings fall below the threshold for payment of National Insurance contributions. This has two effects: to understate the total number of part-time workers, particularly those working a small number of hours per week; and to bias the sample in favour of high-earning workers, thus overstating average hourly pay rates. Because it is a survey of jobs, rather than of people, it also includes some double-counting of part-time workers. Finally, of course, it also excludes part-time workers in the informal economy whose employers are evading the payment of National Insurance contributions.

LACK OF A CLEAR DEFINITION OF TEMPORARY WORK

In carrying out comparative studies between Britain and other European countries, the ambiguities in our definitions of temporary working cause more trouble than any other single factor. This is partly an effect of the more deregulated condition of the UK labour market where, because it is easy for an employer to terminate employment for full-time workers during the first two years of employment and for part-timers

during the first five, few give formal fixed-term contracts to workers whom they do not intend to employ permanently. There is thus often little formal differentiation between permanent employees and those who may be regarded by both themselves and their employers as temporary, even though they may be employed continuously for extended periods.

In the *Labour Force Survey*, such workers, if they describe themselves as 'temporary', are lumped together with a diverse range of others, including seasonal workers, freelance consultants, trainees and agency workers (although technically speaking this last category should be regarded as permanent employees of the agency). In a study carried out at the Policy Studies Institute in 1987, Bernard Casey, discovered that the *Labour Force Survey's* 'temporary workers' category covered no less than eleven distinct categories of worker: freelance consultants performing one-off or short-duration tasks; labour-only subcontractors; casual workers; seasonal workers; fixed-term contract workers; workers with a contract dischargeable by performance; apprentices and other workers on training contracts; temporary workers on indefinite contracts; agency workers; employees of works contractors; and participants in special programmes for the unemployed (Casey, B., *The Extent and Nature of Temporary Employment in Britain*, PSI, 1987).

Additional difficulties in using the Labour Force Survey for comparisons over time were created by a change in the questionnaire between 1981 and 1984, substituting the categories 'permanent' and 'temporary' for 'regular' and 'casual'. Because a number of people who regard their employment as 'temporary' do not regard it as 'casual', this produced an exaggeratedly large apparent increase in the proportion of the workforce in this category during this period.

LACK OF A CLEAR DEFINITION OF EMPLOYMENT STATUS

Another area of considerable confusion, and one which contributes to some of the difficulties of defining temporary work, is the lack of a clear definition of employment status for some types of worker. Again, this confusion is not caused by the statistics themselves so much as by a lack of clarity in the legal situation which they reflect. There is in fact no single test under British law for employee status, and case-law has produced a complex array of separate factors which must be taken into account before it can be established. These include the ownership of equipment and materials, the degree of direction which the employer gives the worker in how the work should be carried out, the location of the work, the duration and continuity of employment, the number of working hours, whether the worker works for more than one employer, whether the employer provides welfare benefits, the method of payment and so on.

It is clearly impossible to reflect all these distinctions in a simple census or survey. However this does not appear to be a sufficient reason for abandoning any attempt at differentiation. At present, the category 'self-employed' includes an incongruous mixture of high-earning professional consultants and small business owners; poorly-paid homeworkers who might well, if they were aware of their rights, be regarded as employees; people who are, to all intents and purposes, employees but who are registered as self-employed, with the connivance of their employers, for the purpose of evading tax; and a number of other groups, including agents and salespeople paid by commission. The category includes both workers whose presence in it is a reflection of their high bargaining power with employers and those whose self-employed status is the result of low bargaining power. This heterogeneity makes it extremely difficult to draw any useful conclusions by monitoring fluctuations in the overall size of this group. It would be equally fallacious to conclude that a sudden growth in self-employment was evidence of

successful enterprise as it would that it was evidence of intensified exploitation.

What is needed in order to monitor trends in the flexible workforce is a disaggregation of data on self-employment to make such distinctions possible.

LACK OF A CLEAR DEFINITION OF HOMEWORK

I have written extensively elsewhere about the conceptual difficulties of arriving at a workable definition of homework for quantitative research purposes (see references at the end of this paper). Here, I will merely summarise the sub-categories into which the data could most usefully be disaggregated. These are:

- people working at home for a single external employer
- people working at home for a variety of different external employers
- people running their own business at their own home address (including live-in shopkeepers)
- people working at home for another family member
- live-in domestic servants

While some of these distinctions are fine ones, they do not seem impossible to draw. Were they available in official statistics, they would immensely improve the quality of research which it would be possible to carry out in this area.

LACK OF A CLEAR DEFINITION OF FEMALE LABOUR-FORCE PARTICIPATION

By most definitions, a market is a mechanism for mediating supply and demand. In the case of the flexible labour market, this is, as already noted, largely the supply and demand for women's labour. The analysis of this market therefore requires accurate information on both the demand for women's work and the supply of it. Unfortunately, at present, only half this information is available. The main source of information on labour supply - the unemployment figures - are completely inadequate as a description of women's availability for work. Not only do they exclude large numbers of married women who do not bother to sign on because they are ineligible for unemployment benefit; they also exclude others who have attempted to register but who have been deemed not to be actively seeking work because, for instance, they have not made suitable childcare arrangements, or are not prepared to consider working at a distance from their homes.

Women's demand for flexible work is usually, in fact, a reflection of precisely such difficulties. Homework, part-time work and casual intermittent work are seen as solutions to the problem of combining income-generation with caring for children or other dependents. For women so encumbered, questions about availability for waged work or work preference can rarely be answered simply. A true picture can only be elicited by the use of conditional questions, such as, 'would you go out to work if safe and reliable childcare facilities were available?' or 'if your mother-in-law could be taken by ambulance to a day-centre' or 'if the hours fitted in with school times'. Similarly, questions such as 'would you like to work at home' must be interpreted in the context of the available alternatives: 'as opposed to going out to work' or 'as opposed to not being able to earn at all'.

In the absence of such survey questions, and the information resulting from them, it is possible to gain

neither a quantitative picture of the supply of 'flexible' work nor a qualitative one of the extent to which the supply of such work matches women's actual needs and desires.

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