Flexibility works
Why people choose flexible work
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INTRODUCTION

The world of work is evolving, but flexible work has remained a significant and steady feature of the UK labour market. On any given day recruiters place over a million people into temporary and contract assignments. People increasingly recognise the need for agile workforce solutions that meet the demand for 24/7 services.

At the same time, flexible working models continue to be conflated in the ongoing debate around casualisation, vulnerable workers and precarious work. What constitutes ‘flexible work’ is complex and often can include a wide variety of different contracts and ways of working, particularly given the so-called ‘gig work’, which is itself ill-defined. Different ways workers can work flexibly impact on their employment rights as well as how much influence they have to make their job work for them. The ‘Good Work’ agenda in Westminster has provided an opportunity to challenge these misconceptions and demonstrate how working through an employment business is more regulated than other forms of flexible work. This can give workers the two-way flexibility they want in the modern world of work.

To shed more light on this, the REC commissioned this research, which focuses on temporary agency workers, contractors and freelancers working through employment businesses. The aim of this report is to set out who these workers are and why individuals choose flexible work at different stages of their career. It also lays out the benefits of these kinds of work, highlights the role of intermediaries who facilitate this flexibility, and identifies measures which could further improve the nature of flexible work in the UK.
KEY FINDINGS
Flexibility and good work go hand in hand. Understanding motivators for individuals and businesses is key to maintaining and enhancing two-way flexibility that benefits all parties. Here are some core messages from our research:

- **Flexible work is the new normal** – two in five people in Great Britain (39 per cent) have worked as a temporary worker. As people follow less linear career paths, flexible work will become increasingly common.

- **Flexible workers are often driven by choice** – people on temporary contracts choose to work that way because of the opportunities this type of work brings.

- **The ability to earn money quickly is an important driver** – one in four (25 per cent) individuals flagged the ability to earn money quickly as the major benefit of working flexibly. Flexible work provides an increasingly important means of helping people to manage transitions and redundancies.

- **Flexible work is done by all kinds of people** – different kinds of flexible work are common among people of all ages, genders and social classes. This challenges latent pre-conceptions about the demographics of temporary workers.

- **Older workers are using flexible work to return to the labour market** – one in five (20 per cent) people aged 65+ have worked as a contractor or freelancer in their working life, with 16 per cent of those working in this way in the last year.

- **Flexible workers use this experience to progress** – two in three (68 per cent) who had previously worked as a flexible worker and three in four (77 per cent) who had worked as a temporary agency worker are now in a permanent role.

- **Intermediaries play a key role in facilitating flexible work** – three in five people (62 per cent) who had secured temporary work through an agency were satisfied with the service provided. Meanwhile, the vast majority of employers (73 per cent) who find staff via a recruitment agency are satisfied or very satisfied with the service provided.

- **Flexible work is a popular future career choice** – one in three (32 per cent) people would consider flexible work in the future. Three in ten (30 per cent) of those who are currently in full-time permanent work would consider becoming a contractor or freelancer in the future.

- **Government policy can help boost progression opportunities** – the ability to learn new skills from diverse workplaces is an important driver of flexible work. The government can boost progression opportunities by broadening the apprenticeship levy.

- **Better management of flexible workers will boost productivity and employer brand** – driving good practice in the management of a contingent workforce will further enhance the benefits of temporary working arrangements. More than half (56 per cent) of employers and recruiters have reviewed current procedures or are in the process of doing so.
The world of work is changing. Flexible work is not a marginal phenomenon – in fact, it is common. The number of workers in ‘non-standard employment’ has increased significantly in the last decade. In the OECD, one in three workers is now in ‘non-standard employment’, including one in nine who are on a temporary contract. Temporary or contract work is an integral part of many people’s career paths and is often driven by personal choice.

FLEXIBLE WORK IS COMMON IN THE UK

A survey of over 4,000 adults in Great Britain commissioned by the REC found that two in five (39 per cent) GB adults have worked as a temporary agency worker, contractor or freelancer at some point in their life. Over a quarter (27 per cent) of adults have worked as a temporary agency worker, while one in five (19 per cent) have been a contractor or freelancer.

Flexible work is embedded as a core element of the labour market. As well as helping employers meet demand for products and services in a 24/7 society, flexible work reflects the evolving needs of workers.

According to official figures, there were over 1.4 million temporary employees in the UK in May–July 2019, accounting for just over 5 per cent of all employees. REC data shows that, on average, there were over 1 million temporary agency and contract workers on assignment on any given day across the financial year 2017/18. There were 1.65 million temporary agency and contract workers on the broader recruitment industry’s payroll in the same period.

Evolving workforce dynamics are reflected in average assignment lengths

As Table 1 illustrates, there is a healthy balance of temporary agency placements fulfilling both short-term and longer-term needs:

- The majority of temporary assignments (64 per cent) were for 12 weeks or more.
- One in five (20 per cent) temporary placements lasted longer than six months.

The average length of contract assignments was higher:

- Eighty-five per cent of contract assignments lasted 12 weeks or more.
- Almost half (45 per cent) of contract placements extended beyond six months.
- One in ten (9 per cent) were for a year or more.

The average length of assignments had increased in 2017/18, indicating that flexible working models are responding to the needs of individuals as well as employers.4

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There are many pre-conceptions surrounding the age, gender and social class of flexible workers that must be challenged. For example, historically, there has been the perception that women are much more likely to be working in flexible ways than men.

**In reality, the gender balance among flexible workers is fairly even:**

- Of those who have worked as a flexible worker, 53 per cent were men while 47 per cent were women.
- Of those who have been temporary agency workers, 48 per cent were men and 52 per cent were women.\(^5\)

**However, men are much more likely to have worked as a contractor or freelancer than women:**

- Almost two in three (63 per cent) people who have worked as a contractor/freelancer were men, while just over a third (37 per cent) were women.

We can expect this gap to diminish as more women access high-end technical sectors such as technology and engineering, where many contractors operate.\(^6\)

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5 The REC commissioned a similar survey of GB adults in 2014, and found that of those who had been temporary agency workers, 43 per cent were men and 57 per cent were women. For more, see REC. (2014) Flex appeal. Available at: www.rec.uk.com/research

6 Between 2008 and 2018, there was a 63 per cent rise in the number of highly-skilled female freelancers in the UK. IPSE. (2018) Self-employment in the modern economy: exploring the rise of self-employment in the last decade.
Flexible work is popular among all age groups:

- A quarter (25 per cent) of people aged under 25 have worked as a temporary agency worker, contractor or freelancer at some point in their life – a significant proportion considering they have only been active in the labour market for a relatively short period of time. This underlines the importance of flexible work as a means of gaining experience and a foothold in the labour market.

- Two in five (41 per cent) of all those aged 25 or over have worked as a flexible worker. This highlights the fact that flexible work can be a career choice, particularly for those who have worked as contractors and freelancers.

- Older workers are more likely to work as a contractor or freelancer than a temporary agency worker. Of those aged over 45, two in five (42 per cent) have worked as a contractor or freelancer in the last five years, compared with 15 per cent who have worked as a temporary agency worker.

Temporary agency work is evenly spread across the social spectrum:

- A slightly higher proportion of those people who sit in the managerial social grade ABC1 have been a temporary agency worker (28 per cent) than those in the lower social grade C2DE (26 per cent).

- Three per cent of all respondents in the managerial social grade ABC1 and 3 per cent in the social grade C2DE are currently working as a temporary agency worker.
Contract or freelance work is much more common among those in the highest social grade:

- One in four (26 per cent) AB respondents have worked in this way at some point during their life, compared with one in eight (12 per cent) DE respondents.
- One in ten (10 per cent) AB respondents currently work as a contractor/ freelancer, compared with only one in fifty (2 per cent) in the DE social grade.

FLEXIBLE WORK IS OFTEN DRIVEN BY INDIVIDUAL CHOICE

Why do people choose flexible work? Official statistics show that a progressively smaller proportion of temporary employees now work in this way because they could not find a permanent job. In May–July 2019:

- Only a quarter (25 per cent) of all temporary employees were working in this way because they could not find permanent work.
- Three in ten (29 per cent) did so because they did not want a permanent job.
- The majority of temporary employees have chosen to work in this way for other reasons.\(^8\)

In times of economic uncertainty, when companies are likely to be deterred from hiring new permanent staff, flexible work ensures that people who cannot find permanent jobs have access to work. At the same time, a significant proportion of temporary workers actively seek out the flexibility offered by agency work. Others use the experience and skills gained during their time as an agency worker, contractor or freelancer to progress in their career.

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7 According to the socio-economic classification produced by the MRS, the following descriptions apply:

- AB: Higher and intermediate managerial, administrative, professional occupations
- C1: Supervisory, clerical and junior managerial, administrative, professional occupations
- C2: Skilled manual occupations
- DE: Semi-skilled and unskilled manual occupations, unemployed and lowest grade occupations

TABLE 3: TEMPORARY EMPLOYEES (REASONS FOR TEMPORARY WORKING)

<table>
<thead>
<tr>
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<th>COULD NOT FIND PERMANENT JOB</th>
<th>DID NOT WANT PERMANENT JOB</th>
<th>SOME OTHER REASON</th>
</tr>
</thead>
<tbody>
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<td>May–July 2016</td>
<td>32%</td>
<td>26%</td>
<td>42%</td>
</tr>
<tr>
<td>May–July 2017</td>
<td>27%</td>
<td>27%</td>
<td>46%</td>
</tr>
<tr>
<td>May–July 2018</td>
<td>27%</td>
<td>28%</td>
<td>44%</td>
</tr>
<tr>
<td>May–July 2019</td>
<td>25%</td>
<td>29%</td>
<td>46%</td>
</tr>
</tbody>
</table>


The need to recognise evolving motivations was explicitly referenced in the government-commissioned Review of Modern Working Practices, led by Matthew Taylor, which concluded that ‘people are driven by different motivations at different points in their career’.9

The latest REC survey sheds light on the reasons why temporary agency workers, contractors and freelancers choose to work in this way. As well as providing a bridge into permanent employment, individuals are looking for positive outcomes from different ways of working, such as gaining a better work–life balance, new skills and experience. The most common reasons why individuals chose to work as a temporary agency worker, contractor or freelancer were:

- could not find permanent work at the time (42 per cent)
- to find work quickly (36 per cent)
- to work flexibly (28 per cent)
- to earn money quickly (25 per cent).

However, notable variances emerged by type of flexible work:

- For those who have worked through an agency, the main drivers for this decision were to find work and earn money quickly, as well as the fact they could not find permanent work at the time.
- Contractors/freelancers who have not secured work through an agency most commonly cited independence, flexibility and the fact that they worked in a sector where self-employment is typical as the main drivers for their decision.

‘I was working 65 hours a week for a 50-hour permanent contract and still needing to work my days off. Now as a temporary agency worker I have less stress, earn exactly what I have worked and I have the bonus of spending more quality time with my family.’

Ian, worker in hospitality

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KEY DRivers AND MotivATIONS FOR CHOOSING FLEXIBLE WORK

Although finding a bridge into permanent employment remains an important driver, a high proportion of people who worked as temporary agency workers, contractors and freelancers are making an active and positive career choice.

Of those who have worked as temporary agency workers:

- almost half (45 per cent) did so to find work quickly
- three in ten (28 per cent) did so to earn money quickly
- one in four (23 per cent) did so to work flexible hours
- one in six (16 per cent) did so to gain experience in a new area of work.

Of those who have worked as a contractor/freelancer and who have secured work through an agency:

- two in five (39 per cent) did so to work flexible hours
- one in three (35 per cent) did so to find work quickly
- a quarter (23 per cent) did so to work independently and not for one company.

Of those who have worked as a contractor/freelancer and who have not secured work through an agency:

- two in five (41 per cent) did so to work flexible hours
- three in ten (29 per cent) did so to work independently and not for one company
- more than a third (35 per cent) did so because self-employment is typical in their sector.

In addition, a fifth (19 per cent) of contractors/freelancers said they have chosen to work in this way in order to earn more money than they would in a permanent role, compared with only one in ten (9 per cent) of those who have worked as a temporary agency worker.
FIGURE 3
For which, if any, of the following reasons have you ever taken work as a temporary agency worker, contractor or freelancer? By role type

- Don’t know/can’t recall
- Other reason
- To work flexible hours in order to look after a family member (excluding my children)
- I prefer to work alone
- To work flexible hours in order to look after my children
- To supplement my regular income
- To earn more money than I would in a permanent role
- To work fewer hours or have a better work-life balance
- To work independently and not for one company
- Self-employment is typical in my sector
- To gain experience in a new area of work
- To work flexible hours in order to pursue other interests/hobbies (e.g. study, etc.)
- To earn money quickly
- To find work quickly
- I could not find permanent work at the time

FIGURE 4
For which, if any, of the following reasons have you ever taken employment as a temporary agency worker, contractor or freelancer? By gender

- Male
- Female
Flexibility works

Men and women choose to do flexible work for contrasting reasons:

- One in three (33 per cent) women cited flexibility as a reason for taking flexible work compared with one in four (24 per cent) men.
- One in eight (13 per cent) women who have taken flexible employment did so in order to work flexible hours and look after their children, compared with only one in twenty (4 per cent) men. This is unsurprising as women tend to take on more childcare responsibilities than men within the general population.
- A higher proportion of women than men have chosen flexible work to gain experience in a new area of work – 17 per cent of women compared with 13 per cent of men.
- One in eight (14 per cent) male respondents have chosen flexible work in order to earn more money, in contrast to one in ten (9 per cent) women.
- One in five (18 per cent) men said that they chose to work in this way because self-employment is typical in their sector, compared with just one in ten (10 per cent) women. This is likely to reflect the high incidence of self-employed contractors in male-dominated sectors such as IT and construction.

Intermediaries like recruitment agencies can play an important role in boosting work opportunities for individuals, particularly those without existing contracts and networks in a given sector.

CASE STUDY
A worker’s view

Having returned to London from abroad, Sarah Graham wanted to find work quickly as well as try out different roles and gain experience.

‘The recruitment process for permanent roles can take months, so a temporary role was the best option. I sent my CV to a recruiter and within a week they had found me this great opportunity with a mental health charity. I was paid weekly, which was very helpful as I had just moved back.’

Sarah would happily recommend temporary work through a recruitment agency to others, especially for the progression routes this creates. After a few months working as a temporary agency worker with the charity, Sarah was made a permanent staff member.
‘When I semi-retired I realised I didn’t want to be sitting at home all day. Working as a temporary agency worker gives me the flexibility I want.’

Paul, forklift driver

‘Access to flexible work is invaluable when childcare is required to attend work. I left my full-time role to become an agency worker because of the flexibility this provides. Weekly pay is also extremely important as it personally helps me with budgeting. I’d definitely recommend to people with a young family and those who want to gain new skills and knowledge.’

Jessica, nurse

‘I’d recommend working as an agency worker to others who want a better work–life balance. I’ve been working in this way since 2015 and I find access to flexible working patterns the most valuable.’

Claudia, worker in health and social care

‘I’ve been in charge of my own time, money, working hours. I have worked with clients I wanted to and took the time off when I needed it. This job gives me all the flexibility I need and being paid for every hour I work makes a massive difference to feeling valued.’

Krishna, worker in hospitality
People want to work flexibly. A report by Timewise put employee demand for flexible working at an estimated 87 per cent. But this remains in sharp contrast to the number of permanent jobs that are advertised as being open to flexibility.\(^\text{10}\)

The challenge of reflecting the desire for flexible options in permanent roles and of matching working hours and duties to a person’s circumstances is one of the drivers of individuals choosing to work as temporary agency workers, contractors or freelancers. The REC survey shows that three in ten (28 per cent) respondents have chosen to work in this way for the flexibility it offers.

**BY ROLE TYPE**

- A quarter (23 per cent) of people who have worked as temporary agency workers did so in order to work flexible hours. This was even higher among contractors and freelancers, with two in five (39 per cent) citing this as a driver.
- One in five (22 per cent) contractors/freelancers worked in this way to work more flexible hours in order to pursue other interests/hobbies, and one in five (20 per cent) did this in order to work fewer hours or have a better work–life balance.
- Temporary agency workers were less focused on using flexibility to pursue other interests/hobbies (13 per cent) or to work fewer hours (9 per cent) than contractors/freelancers.

**FIGURE 5**

For which, if any, of the following reasons have you ever taken employment as a temporary agency worker, contractor or freelancer? **by role type**

- NET: To work flexible hours
- To work flexible hours in order to pursue other interests/hobbies (e.g. study, etc.)
- To work fewer hours or have a better work–life balance

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BY GENDER

- More women than men who have worked as temporary agency workers, contractors or freelancers chose to do so in order to work more flexibly – one in three (33 per cent) women cited this reason compared with one in four (24 per cent) men.

- This includes working flexibly to pursue other interests or hobbies (18 per cent of women compared with 14 per cent of men) and to have a better work–life balance (15 per cent of women compared with 11 per cent of men).

- Significantly more women (13 per cent) than men (4 per cent) have chosen to work in this way to look after their children.

FIGURE 6
FOR WHICH, IF ANY, OF THE FOLLOWING REASONS HAVE YOU EVER TAKEN EMPLOYMENT AS A TEMPORARY AGENCY WORKER, CONTRACTOR OR FREELANCER?

BY GENDER

- To work flexible hours in order to look after a family member (excluding my children) –
  - Male: 5
  - Female: 13
- To work flexible hours in order to look after my children –
  - Male: 4
  - Female: 15
- To work fewer hours or have a better work–life balance –
  - Male: 11
  - Female: 18
- To work flexible hours in order to pursue other interests/hobbies (e.g. study, etc.) –
  - Male: 14
  - Female: 33
- NET: To work flexible hours –
  - Male: 24
  - Female: 33

BY AGE

- Choosing temporary work because of the flexibility it provides is particularly important for young people entering the labour market, with two in five (41 per cent) people aged 18 - 24 flagging this as a motivating factor.\(^\text{11}\)

- One in four (25 per cent) of those aged 45 - 54 and one in four (24 per cent) of those aged 65 and over flagged working flexible hours as a motivating factor.

- A higher proportion of people aged 18 - 34 (24 per cent) than people aged 35 and over (13 per cent) have chosen to work flexible hours in order to pursue other interests.

FIGURE 7
FOR WHICH, IF ANY, OF THE FOLLOWING REASONS HAVE YOU EVER TAKEN EMPLOYMENT AS A TEMPORARY AGENCY WORKER, CONTRACTOR OR FREELANCER?

BY AGE

- NET: To work flexible hours –
  - 18 - 24: 41
  - 25 - 34: 33
  - 35 - 44: 28
  - 45 - 54: 25
  - 55 - 64: 28
  - 65+: 24

- To work flexible hours in order to look after my children –
  - 18 - 24: 35
  - 25 - 34: 26
  - 35 - 44: 26
  - 45 - 54: 26

- To work flexible hours in order to look after a family member (excluding my children) –
  - 18 - 24: 25
  - 25 - 34: 25
  - 35 - 44: 25
  - 45 - 54: 25

- To work fewer hours or have a better work–life balance –
  - 18 - 24: 28
  - 25 - 34: 28
  - 35 - 44: 28
  - 45 - 54: 28

11 In 2014, one in three (34 per cent) of those aged 18 – 24 flagged flexible hours as a reason for choosing temporary work. REC. (2014) Flex appeal.
FLEXIBLE WORK CREATES PROGRESSION ROUTES

Temporary agency workers, contractors and freelancers can gain valuable experience and skills during their time as flexible workers – this helps them to further progress in their career. Agency work in particular can serve as a stepping stone into permanent employment. For instance, in the Netherlands and the United States, 32 per cent and 46 per cent of agency workers were converted into permanent staff by a user company, respectively.12

In the UK, for the period July–September 2019, three in ten (30 per cent) employers of temporary agency workers reported that each year, they transfer at least half of their temporary workers into permanent roles. This is the highest percentage of employers reporting this activity since comparable records began in March–May 2016. Moreover, three in five (59 per cent) employers of temporary staff reported transferring more than 1 per cent of their temporary workers into permanent roles.13

The ‘stepping stone’ benefits of temporary agency work are key to boosting inclusion, providing a crucial entry point into the labour market for older people, those with caring responsibilities, people with disabilities and other under-represented groups.

Flexible work is an effective way to develop new skills and gain experience in a new area of work, especially for young people. This supports flexible workers’ professional development and career progression:

- A quarter (24 per cent) of those aged between 18 and 34 have taken employment as a temporary worker, contractor or freelancer to gain experience in a new area of work. This is compared with 12 per cent of those aged 35 or over who have chosen flexible work to gain experience in a new field.14
- A higher proportion of women (17 per cent) than men (13 per cent) who have been flexible workers have chosen this route to gain experience in a new area.

Flexible workers are increasingly able to use this experience to progress and develop in their careers:

- Two in three (68 per cent) respondents who had previously worked as a flexible worker are now in a permanent role. This compares with 54 per cent reporting the same in 2014.
- Three in four (77 per cent) of those who had been temporary agency workers at some point in their life are now in a permanent role, with almost two in three (64 per cent) currently in a permanent, full-time role.15
- Half (52 per cent) of respondents who had worked as a contractor/freelancer are now in permanent employment, with the majority (45 per cent) in a permanent, full-time role.16

14 In 2014, 17 per cent of those aged 18–34 had chosen flexible work in order to gain experience in a new field. REC. (2014) Flex appeal.
15 In 2014, three in five (59 per cent) of those who had been temporary agency workers reported being in a permanent role. REC. (2014) Flex appeal.
16 In 2014, 42 per cent of those who had worked as a contractor and 30 per cent of those had worked as a freelancer reported that they were now in a permanent role. REC. (2014) Flex appeal.
Moving into self-employment is a career aspiration for many flexible workers:

- Three in ten (29 per cent) respondents who had worked as a contractor/freelancer and had secured work through an agency are now self-employed.  
- Two in five (39 per cent) of those who had worked as a contractor/freelancer and had not secured work through an agency are now self-employed.
- Only 14 per cent of those who had worked as a temporary agency worker are currently in self-employment.

This underlines the benefits of flexible work as a stepping stone into self-employment, as well as permanent work for those who want it.

**FIGURE 8** WHICH, IF ANY, OF THE FOLLOWING TYPES OF WORK CONTRACT DO YOU CURRENTLY HAVE? **BY TEMPORARY ROLE**

17 In 2014, 15 per cent of those who had worked as a contractor and 23 per cent of those who had worked as a freelancer reported that they were now self-employed. REC. (2014) Flex appeal.
Flexibility works

It is worth noting that a quarter (24 per cent) of people who have ever worked as a contractor or freelancer work in that way today. In contrast, only 7 per cent of those who had worked as a temporary agency worker are currently employed as a temporary agency worker.

A core recommendation from the REC’s Future of Jobs Commission was that the UK must become a genuine ‘progression nation’, and that individuals should be able to progress through work, irrespective of what type of contract they are on. This was also a core message within the Matthew Taylor Review of Modern Working Practices. The government can make a real difference here by evolving the apprenticeship levy into a broader skills levy that boosts training opportunities for thousands of workers on flexible and temporary contracts. Driving this change is at the heart of the REC’s ’Training for Temps’ campaign.

THE RECRUITMENT INDUSTRY PLAYS A PIVOTAL ROLE IN FACILITATING FLEXIBLE WORK

There are many channels for candidates to access work opportunities, from search firms to social media and word of mouth. For many people who choose to work on flexible contracts, using a recruitment agency is the primary method of finding temporary work. On any given day across the financial year 2017/18, there were over a million temporary and contract workers in the UK working through a recruitment business.

Individuals who have used the recruitment industry to find flexible work are happy with the service provided:

- Three in five (62 per cent) of those who had secured temporary contracts through an agency said they were satisfied with the overall service they provided.
- Satisfaction levels were even higher among contractors and freelancers – two in three (67 per cent) said they were satisfied with the service provided by their agencies.

Splitting the results by age highlights some notable variations:

- One in four (25 per cent) respondents aged 65 and over were very satisfied with the agencies they had secured flexible work through. That’s compared with an all-age average of one in five (19 per cent).
- Almost seven in ten (68 per cent) flexible workers aged 25 - 34 said they were satisfied with the services offered by agencies – higher than the all-age average of 62 per cent.

In contrast, although a very small proportion overall, the youngest cohort was more dissatisfied with the services provided than any of the other age groups – 13 per cent and 6 per cent of those aged 18 - 24 were fairly dissatisfied and very dissatisfied, respectively. This compares with an all-age average of 9 per cent who were fairly dissatisfied and 4 per cent who were very dissatisfied.

18 The REC’s JobsOutlook reports that filling temporary posts through contacting former employees and through word of mouth remains the most widely used recruitment method by employers. Available at: www.rec.uk.com/research
IF YOU HAVE SECURED TEMPORARY CONTRACTS (I.E. TEMPORARY AGENCY WORKER, CONTRACTOR OR FREELANCER) THROUGH AN AGENCY IN THE LAST TWO YEARS, HOW SATISFIED ARE YOU OVERALL WITH THE SERVICES PROVIDED BY THE AGENCY/AGENCIES? IF YOU LAST SECURED WORK THROUGH AN AGENCY MORE THAN TWO YEARS AGO, THINK OF YOUR MOST RECENT EXPERIENCE. **BY TEMPORARY ROLE**

**FIGURE 9**

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Have worked as a contractor/freelancer who has secured work through an agency</th>
<th>Have worked as a temporary agency worker</th>
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<tr>
<td>Very satisfied</td>
<td><img src="chart1" alt="" /></td>
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<tr>
<td>Fairly satisfied</td>
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<td>Neither satisfied nor dissatisfied</td>
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<tr>
<td>Fairly dissatisfied</td>
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<tr>
<td>Very dissatisfied</td>
<td><img src="chart9" alt="" /></td>
<td><img src="chart10" alt="" /></td>
</tr>
</tbody>
</table>

**FIGURE 10**

IF YOU HAVE SECURED TEMPORARY CONTRACTS (I.E. TEMPORARY AGENCY WORKER, CONTRACTOR OR FREELANCER) THROUGH AN AGENCY IN THE LAST TWO YEARS, HOW SATISFIED ARE YOU OVERALL WITH THE SERVICES PROVIDED BY THE AGENCY/AGENCIES? IF YOU LAST SECURED WORK THROUGH AN AGENCY MORE THAN TWO YEARS AGO, THINK OF YOUR MOST RECENT EXPERIENCE. **BY TEMPORARY ROLE**

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Age group with highest occurrence</th>
<th>All respondents average</th>
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<tbody>
<tr>
<td>Don't know</td>
<td>65+</td>
<td></td>
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<tr>
<td>Very dissatisfied</td>
<td>18-24</td>
<td></td>
</tr>
<tr>
<td>Fairly dissatisfied</td>
<td>18-24</td>
<td></td>
</tr>
<tr>
<td>Neither satisfied nor dissatisfied</td>
<td>45-54</td>
<td></td>
</tr>
<tr>
<td>Fairly satisfied</td>
<td>25-34</td>
<td></td>
</tr>
<tr>
<td>Very satisfied</td>
<td>65+</td>
<td></td>
</tr>
</tbody>
</table>
UK workers in general have a high opinion of recruitment agencies and the services they provide. For example, a 2018 survey by Feefo highlighted that 92 per cent of 1,017 respondents who had used a recruitment agency, or were willing to, said they trusted the agencies.¹⁹

The REC’s new research shows that flexible workers value agencies for their expertise, advice and support as well as their employment services:

- Of those people who had previously secured temporary, contract or freelance work through an agency, almost half (45 per cent) most valued them for access to work opportunities.
- A third (36 per cent) most valued agencies for access to flexible work.
- One in three (33 per cent) found the information provided to them before their assignment was the most valuable service provided by their agency.

Contractors/freelancers valued agencies for their advice, information and work opportunities even more than temporary agency workers:

- Fifty-two per cent of people who have worked as a contractor or freelancer valued agencies for the access to work opportunities provided to them, compared with 45 per cent of those who have worked as a temporary agency worker.
- More people who have worked as a contractor or freelancer (39 per cent) than as a temporary agency worker (33 per cent) found the information on the assignment provided to them by agencies before starting work most valuable.
- Advice on training and development was identified as most valuable by more people who have worked as a contractor or freelancer (15 per cent) than as a temporary agency worker (11 per cent).

The most valued support services vary depending on gender and age:

- More women than men valued agencies for the advice on training and the development provided, whereas a higher proportion of men than women value the agency’s expertise about jobs in a specific sector.
- Two in five (39 per cent) women found access to flexible work the most valuable service provided by agencies, compared with one in three (33 per cent) men.
- Younger workers particularly valued advice on rights, training and progression. In contrast, older workers valued the information provided by their agency before their assignment, notably higher than any other age group.

¹⁹ For a detailed survey analysis, see Feefo’s Exploring UK attitudes towards recruiters.
²⁰ For detailed analysis, see the REC’s JobsOutlook and Report on Jobs. Available at: www.rec.uk.com/research
Specific age-related findings are as follows:

- One in four (23 per cent) temporary workers under the age of 25 most valued the information on employment rights and payment terms that agencies provide, compared with one in six (16 per cent) overall.
- Those aged 18 - 24 valued access to flexible work more than the all-age average – 42 per cent of under-25s compared with 36 per cent overall.
- Under-25s also valued advice on training and development significantly more – 20 per cent compared with the overall average of 11 per cent.
- A higher proportion of those aged 18 - 24 and 35 - 44 valued agencies for the advice given on future job opportunities and how to progress, compared with the overall average.
- Half (49 per cent) of those aged 55 - 64 and 46 per cent of those aged 65 and over valued the information provided by their agency before their assignment, compared with one in three (33 per cent) respondents across all age brackets.

**FIGURE 11** WHEN SECURING TEMPORARY CONTRACTS (I.E. TEMPORARY AGENCY WORKER, CONTRACTOR OR FREELANCER) THROUGH AN AGENCY, WHICH SERVICES AND SUPPORT DID YOU FIND MOST VALUABLE? BY TEMPORARY ROLE
WHEN SECURING TEMPORARY CONTRACTS (I.E. TEMPORARY AGENCY WORKER, CONTRACTOR OR FREELANCER) THROUGH AN AGENCY, WHICH SERVICES AND SUPPORT DID YOU FIND MOST VALUABLE? **BY GENDER**

**FIGURE 12**

- Advice on future job opportunities and how to progress
- Advice on training and development
- Expertise about jobs in a specific sector
- Information about my employment rights and payment terms
- Information on the assignment before starting work
- Access to flexible work
- Access to work opportunities
- None of the above

**WHEN SECURING TEMPORARY CONTRACTS (I.E. TEMPORARY AGENCY WORKER, CONTRACTOR OR FREELANCER) THROUGH AN AGENCY, WHICH SERVICES AND SUPPORT DID YOU FIND MOST VALUABLE? **BY AGE**

**FIGURE 13**

- Advice on future job opportunities and how to progress
- Advice on training and development
- Expertise about jobs in a specific sector
- Information about my employment rights and payment terms
- Information on the assignment before starting work
- Access to flexible work
- Access to work opportunities
- None of the above
The Recruitment & Employment Confederation

FLEXIBLE WORK IS A POPULAR FUTURE CAREER CHOICE

Many people would consider flexible work in the future:

- One in three (32 per cent) people in Great Britain would consider flexible work in the future.
- More than half (53 per cent) of all those who have previously worked as a contractor or freelancer would consider doing so again.
- More than a third (37 per cent) of those who have worked as a temporary agency worker would consider working in this way again in the future.
- Of those who are currently flexible workers, two in three (65 per cent) would consider working as a contractor or freelancer at some point in the future.
- Two in five (43 per cent) people currently in flexible work would consider working as a temporary agency worker in the future.

‘I’ve been working as an agency worker for the past seven years and have no plans to stop. Working in this way not only gives me the flexibility I need to care for my family but also helps me to gain new skills.’

Tino, nurse

‘Agency work seemed like a good opportunity to try out a few different places, learn new things from different people and find what I have been looking for. I’m really enjoying the freedom and can actually have a home life routine and a much happier lifestyle. What started as a stopgap to see if I could find “something that fit” has potentially become the “right fit” for me.’

Catherine, chef
The type of role that an individual would consider in the future is also influenced to a certain extent by their current social grade. While temporary agency work is equally as attractive to all, people in the higher managerial social grade are far more likely to consider working as a contractor or freelancer in the future than others. Three in ten (31 per cent) of AB respondents would consider working in this way, compared with one in eight (13 per cent) of those in the DE social grade.

Many people who are currently working in a permanent role would consider flexible work in the future:

- Three in ten (30 per cent) of those who are currently in full-time permanent work and one in three (33 per cent) of those currently in a part-time permanent role would consider becoming a contractor or freelancer.
- Three in ten (31 per cent) part-time permanent workers would also consider working as a temporary agency worker.
Which, if any, of the following types of work would you consider at some point in the future? By current role

Of those who are not currently working and are seeking work, one in three would consider work as either a temporary agency worker (36 per cent) or a contractor/freelancer (31 per cent).

This ties in with other research. For example, survey data from Walters People highlights that two in five (40 per cent) UK workers would consider working in a temporary, interim or contract position. Respondents cited a better work–life balance, higher hourly pay, flexibility and exposure to new skills as the main drivers behind this.\(^{21}\)

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\(^{21}\) The industry with the highest proportion of employees wishing to become contractors is technology and IT (48 per cent). See Global Recruiter article ‘Work–life balance drives spike in contracting for UK employees this summer’. Available at: www.theglobalrecruiter.com/work-life-balance-drives-spike-in-contracting-for-uk-employees-this-summer/
Temporary agency workers, contractors and freelancers are a diverse group. They are not only found in high-volume industries such as manufacturing, hospitality and logistics, but across a wide range of sectors, including healthcare, education, technology, engineering, life sciences, creative industries and professional services.

Flexible work is an important success story of the UK economy – it is vital for businesses and beneficial to the individuals who choose to work in this way. This was reflected in the government-commissioned Review of Modern Working Practices, which concluded that ‘genuine flexibility, whereby individuals and employers are able to agree terms and conditions that suit them both, is the key strength of the UK labour market and also a core component of fair and decent work’.22

FLEXIBLE WORK IS IMPORTANT FOR BUSINESS

Flexible work enables employers to manage changes in demand and deliver products and services in an increasingly 24/7 society. REC research identifies the specific drivers and benefits for employers:

- Four in five (78 per cent) employers said flexible working models were key to meeting seasonal peaks in demand.
- Two-thirds (67 per cent) said they were important for covering leave or absences.
- Three in five (57 per cent) flagged their importance in responding to new growth opportunities.
- Half (49 per cent) of employers said flexible work provided them with access to key strategic skills.23

REC JobsOutlook data shows that three-quarters of employers have little or no spare workforce capacity. This has intensified the need for effective staffing strategies as demand for services and products increases. Persistent skills shortages and declining candidate availability have reaffirmed the crucial outlet that temporary agency staff and contractors play by providing speedy access to skills and experience.

23 Based on a survey of 200 employers/HR decision-makers conducted in August 2019.
In addition, two in five (40 per cent) employers flagged the role of temporary and contract workers in managing uncertainty during an economic downturn. Their role in helping employers manage organisational change was also recognised, as Figure 16 illustrates.

Similarly, when asked about the importance of temporary agency workers for their organisation specifically, employers revealed that agency workers are most valuable for meeting peaks in demand at certain times of the year, covering absences and providing short-term access to key strategic skills.24

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24 For detailed analysis, see the REC’s JobsOutlook. Monthly reports available at: www.rec.uk.com/research
FLEXIBLE WORK DRIVES GROWTH AND PRODUCTIVITY

New forms of work have emerged as a result of changes in technology, demographics and evolving business models in a 24/7 society. Flexible work, particularly temporary agency work and contracting, reflects the changing needs of both workers and employers. As well as providing benefits to individual workers, as highlighted in Chapter 1, two-way flexibility provides a crucial outlet for employers. According to the OECD, more flexible forms of employment can offer new opportunities and a stepping stone to open-ended employment for some, including young people and many low-skilled workers. In turn, this contributes to economic growth and can help to boost productivity.

Flexible workers help organisations fill skills and labour gaps, often at short notice. They help to manage fluctuating and unpredictable demand for products and services in uncertain times, adjust to economic and seasonal cycles, and respond to unpredictable demand such as during flu epidemics or heat waves. As a result, flexible workers are embedded as a core component of the workforce across many different industries. For instance, the number of temporary employees working in accommodation and food services has increased significantly in the last few years, from 115,225 in 2011 to 162,042 in 2016. Non-permanent staff make up approximately 10 per cent of the total workforce in the sector.

FIGURE 18 INDICATIVE PROPORTIONS OF TEMPORARY/CONTRACT WORKERS ON THE PAYROLL ON A DAILY BASIS. BY OCCUPATION, 2017/18

26 Not permanent employees include temporary agency workers, fixed-contract workers, seasonal workers and casual workers. ONS. (2017) One digit industry data showing the number of permanent and not permanent employees for January to December 2010 to January to December 2016. Available at: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhoc/007435onedigitindustrydatashowingthenumberofpermanentandnotpermanentemployeesforjanuarytodecember2010tojanuarytodecember2016
FLEXIBLE WORKERS CONTRIBUTE TO ALL SECTORS OF THE ECONOMY

There were over a million temporary agency and contract workers on assignment on any given day across the financial year 2017/18. There were also 1.65 million temporary agency and contract workers on the broader recruitment industry’s payroll.27 As Figure 18 shows, temporary agency and contract workers support economic activities across all sectors.

When analysing the indicative distribution of temporary/contract workers, there is a broad spread of worker activity across occupational sectors. Notably, three in ten workers were within the traditional disciplines of secretarial/clerical and industrial/blue collar activities. However, the duration of temporary assignments varies, with the large majority of these (64 per cent) lasting for more than 12 weeks. Similarly, eight in ten (85 per cent) contract placements were for 12+ weeks, with over two in five (45 per cent) lasting more than six months.28

Flexible work benefits both workers and employers across all industries, but the proportion of temporary and contract workers is especially prevalent in industrial/blue collar, drivers, computing/IT, secretarial/clerical and technical/engineering. In these and other sectors, the challenge for employers and recruiters is to find the workers to fill the available posts. The REC’s Report on Jobs monitors this demand for temporary and contract staff. Table 5 shows the sectors with the highest growth in temporary vacancies over the past four years.

<table>
<thead>
<tr>
<th>SECTOR 1</th>
<th>SECTOR 2</th>
<th>SECTOR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 2019</td>
<td>Hotel and catering</td>
<td>Nursing/medical/care</td>
</tr>
<tr>
<td>February 2019</td>
<td>Nursing/medical/care</td>
<td>Hotel and catering</td>
</tr>
<tr>
<td>August 2018</td>
<td>Nursing/medical/care</td>
<td>Blue collar</td>
</tr>
<tr>
<td>February 2018</td>
<td>Blue collar</td>
<td>Nursing/medical/care</td>
</tr>
<tr>
<td>August 2017</td>
<td>Blue collar</td>
<td>Engineering</td>
</tr>
<tr>
<td>February 2017</td>
<td>Engineering</td>
<td>Engineering</td>
</tr>
<tr>
<td>August 2016</td>
<td>Nursing/medical/care</td>
<td>Hotel and catering</td>
</tr>
<tr>
<td>February 2016</td>
<td>Secretarial/clerical</td>
<td>Hotel and catering</td>
</tr>
</tbody>
</table>


28 Ibid.
In 2018 the government outlined its blueprint for a future UK labour market in the Good Work Plan. The vision is for a jobs market that rewards people for hard work, celebrates good employers and is ambitious about boosting productivity and earning potential in the UK. Ensuring that individuals have opportunities and choice, can progress through work and that the enforcement system is effective in protecting the interests of both workers and compliant businesses are intrinsic to this commitment.

Good work has percolated through into the public policy and business agendas. The dial has shifted: the need to measure the success of the UK jobs market on qualitative as well as quantitative measures is established. Good work and flexibility go hand in hand – the next frontier is to go from good work to great work.

**CREATING THE RIGHT REGULATORY FRAMEWORK IS A MAJOR BUILDING BLOCK**

The recruitment industry is well regulated. Government focus should be on ensuring effective enforcement and compliance as well as looking at how other forms of flexible working such as gig working are brought up to the same level. Looking ahead, the priority for the government must be to ensure that the future drive for standards does not prevent genuine two-way flexibility, which the government’s own review recognises as one of the UK’s major strengths.

All agency workers in the UK are entitled to a number of rights, including protection from unlawful wage deductions, statutory sick pay, and health and safety protection. Recruitment agencies are legally required to provide their temporary workers with information on contract terms, pay, notice periods, assignment details, and any health and safety risks. After 12 weeks on an assignment, agency workers are entitled to the same pay as a permanent employee doing the same job and equal treatment with permanent employees in

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29 The REC has been engaging in the Good Work agenda from the outset. Initially, with Matthew Taylor to feed into his report to the government, and subsequently, with the government in the lead up to the publication of the Good Work Plan.
regard to rest breaks, holiday entitlement and working time. As part of the Good Work Plan, new regulations and amendments to existing regulations will come into force on 6 April 2020.

Workers need to be aware of their rights and have confidence that regulations are being enforced. Effective enforcement is also in the interests of employers and recruiters; it is central to ensuring a level playing field for compliant businesses. As the professional body for the UK recruitment sector, the REC is committed to raising the standards of our members by ensuring they are aware of upcoming legislative changes. In addition the REC has a Code of Professional Practice, bi-annual compliance tests, audits, a complaints function and a Professional Standards Committee that agrees sanctions where breaches have been established. The REC works closely with the government and the Director of Labour Market Enforcement to inform future policy and to ensure that our own compliance activities complement those of the government.

BETTER MANAGEMENT WILL FURTHER ENHANCE THE BENEFITS OF FLEXIBLE WORK

Managing the flexible labour force is just as important as managing permanent staff, albeit more complicated as often both employment businesses and end-clients have a relationship with the worker. Working conditions and workplace culture drive workforce satisfaction and workers’ engagement. Ultimately this unlocks the kind of discretionary effort and innovation that can boost productivity.

Temporary agency and contract work is varied, neither all low-skilled nor all low-paid. Agency nurses, locum doctors, supply teachers, IT consultants and engineering contractors are all professionally qualified and can be supplied via agencies on contracts for services. But flexible workers also fill non-graduate roles in areas such as food production, warehouses, hospitality and social care. Boosting the day-to-day management, working conditions and progression opportunities of flexible workers across all these various sectors and job roles is at the heart of nurturing two-way flexibility that benefits individuals as well as employers.

Amid the rising demand for skills, it is encouraging that eight in ten (82 per cent) employers highlight the importance of offering training and upskilling opportunities to staff in order to increase productivity. Lower-skilled workers value opportunities to learn and develop new skills, while more established workers value a workplace culture where they can use their knowledge and share their experience with colleagues. Temporary agency workers and contractors feel less valued and are less satisfied when they work in an environment that does not offer opportunities and does not recognise their contribution.

Employers and recruiters have a responsibility to contribute to workers’ sense of well-being by actively promoting inclusion in the workplace and showing appreciation of their efforts. Recognition and respect are at the heart of the Good Work agenda. Driving good practice in the way that employers manage their contingent workforce has become an increasingly important component of the REC’s wide-ranging Good Recruitment Collective. There is increasing recognition that better management of flexible workers will boost productivity and employer brand, and it is encouraging to note that 56 per cent of employers have reviewed current procedures or are in the process of doing so.

30 Rights under the Agency Worker Regulations (2010).
31 For further details on the rights of agency workers, see Appendix 1.
32 Based on an REC JobsOutlook survey of 400 HR decision-makers/employers conducted in February–March 2019.
33 See also the REC’s report Getting On.
34 Based on a survey poll conducted at the 2019 TREC Conference.
CASE STUDY
A recruiter’s view

Established since 1990, CJUK specialises in the hospitality sector, matching temporary chefs to hotels, pubs, restaurants and contract catering companies all over the UK. In the past year, it has supplied approximately 300 temporary workers to end-clients, accounting for 95 per cent of business activity.

Katie Mellor, Director of Sales and Operations, explained the benefits of temporary work:

‘People take on temporary work with us for the flexibility this provides. Our temporary chefs can choose to have days off, allowing a healthy work–life balance. At the same time, unlike permanent hospitality professionals who often have to work unpaid overtime, our temporary workers value greatly the fact that they are paid for every hour they work. We also find that accruing holiday pay is important for temporary workers – if they go a week without work they can take their holiday pay and not lose out on wages.’

‘Many of our interim chefs tell us that they were anxious about transitioning to temporary work from a permanent job, but since they did, they have never looked back.’

Acknowledging the importance of temporary workers, CJUK have established the CJUK Chef Charter, which pledges to all their temporary chefs to provide a better way of working within the hospitality industry, including better pay, working conditions and a better work–life balance. The agency also offers the opportunity to all chefs to apply to become an ‘Ambassador’ and benefit from being invited to events, entering awards and giving advice to new chefs.

Thinking of the next few years, Katie Mellor believes temporary work will become more popular, as increasingly more people have more than one job.

‘More people are moving towards working on a self-employed basis that can be complemented with temporary work.’

IMPROVING ACCESS TO TRAINING FOR TEMPORARY WORKERS WILL BOOST PROGRESSION

The need to boost progression opportunities for all workers, irrespective of what type of contract they are on, was a key message from the Matthew Taylor Review of Modern Working Practices. Many people have identified a lack of training opportunities as the single biggest factor in limiting career progression for low-skilled and temporary workers. This is especially true in sectors such as logistics, which has high barriers to entry and immediate labour and skills shortages.

The world of work is constantly evolving. In the UK we have been slow to put in place pathways that allow for in-work career progression in this changing landscape. While work experience as a result of short-term contracts can in itself aid progression for workers, the UK government has to do more. One way to do this would be to reform the apprenticeship levy to ensure funding for a wider variety of training and skills development opportunities – this would help career progression and professional development, especially for so-called low-skilled workers.

REFORMING THE APPRENTICESHIP LEVY IS THE WAY FORWARD

At present, all UK employers with a pay bill of more than £3 million per year pay the apprenticeship levy, which amounts to 0.5 per cent of their total pay bill. This money is then put aside into a pot which the employer can use to fund apprenticeships for their workers. However, employers and recruiters have identified a number of issues with the apprenticeship levy, particularly in relation to temporary workers.

An apprenticeship lasts a minimum of 12 months but, according to REC data, only 2 per cent of temporary assignments and 9 per cent of contract assignments last for a year or more. This means that almost a million temporary workers are automatically cut off from apprenticeship levy-funded training. In addition, temporary work agencies are usually SMEs, with a small number of directly employed staff. However, because they have many temporary workers on their books, these agencies often pay the apprenticeship levy – of the 3,000 REC members based in England, more than one in five (22 per cent) pay the levy, compared with only 1.3 per cent of all employers. As a result of current restrictions, 95 per cent of agencies have been unable to use levy funds on apprenticeship programmes for their temporary agency workers, with a large proportion of funds remaining unspent. This is despite members identifying a range of skills and relevant qualifications which are required to meet the current demand for temporary staff.

35 Based on a survey of REC members who pay the apprenticeship levy, with 93 per cent employing fewer than 250 people and therefore classed as small or medium-sized enterprises. REC (2019) Training for temps: broadening the apprenticeship levy to benefit flexible workers. Available at: www.rec.uk.com/news-and-policy/policy-and-campaigns/apprenticeship-levy-hub
In April 2019, two years after the policy was introduced, employers began to lose any unused money left in their apprenticeship levy pots. According to official figures, for the period May–August 2019, a staggering £133 million of levy funds expired from employers’ levy accounts. If it were not for the restrictive nature of the apprenticeship levy, this money could have been used to fund valuable training and development for hundreds of thousands of temporary workers. Accessing the right training at the right time is a powerful vehicle for social mobility and progression. Evolving the apprenticeship levy into a broader and more flexible skills levy would enable the funding to be used for shorter training courses. These courses would help temporary workers to gain valuable skills and progress in their careers. In turn, this would help to boost productivity and economic growth. As the REC’s latest survey shows, one in four (24 per cent) people aged 18–34 who have worked as temporary workers said that they chose to work in this way to gain experience in a new field. A broader, more flexible skills levy would further boost the benefits of flexible work as a means of developing new skills and progressing through work.

**NURTURING TWO-WAY FLEXIBILITY IS A SHARED AIM**

The UK employment rate hit 76.1 per cent in May–July 2019, the joint-highest on record. But there is increasing recognition that the success of our jobs market should be judged on qualitative measures as well as quantitative. In addition to employment levels and job creation, the key indicators of a successful labour market include social mobility, inclusion, productivity and individual fulfilment. From the perspective of individuals, a thriving jobs market is also one with progression opportunities and genuine choice in terms of ways of working and contractual arrangements.

New forms of work have emerged as a result of changes in individual preferences, technology, demographics and business models. On the back of this, temporary and contract work allows for over a million people on any given day in the UK to enter the workplace, who otherwise might not be able to. As the OECD highlights, more flexible forms of employment can offer new opportunities and a stepping stone to open-ended employment for some, including young people and many low-skilled workers. In turn, this contributes to economic growth and productivity.

One important aspect of flexible work that is often overlooked is its contribution to inclusive labour markets. Temporary work offers an entry and re-entry point into the labour market for older people, low-skilled individuals, women who have taken long career breaks and people from disadvantaged backgrounds. It provides these groups with useful experience and a bridge into permanent employment for those who seek it. At the same time, it allows other groups, including those with caring responsibilities, to have control over their hours through flexible working arrangements.

Looking ahead, employers, recruiters, workers and policymakers across the political spectrum have a shared interest in nurturing two-way flexibility. The REC is committed to playing its role in ensuring that flexibility and good work go hand in hand.

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36 Available at: www.peoplemanagement.co.uk/news/articles/employers-lose-133m-from-levy-accounts-as-funds-expire

RECOMMENDATIONS

The UK recruitment industry is committed to driving social innovation and working with policymakers and the wider business community to ensure that the benefits of flexible work are not only fully recognised but are also nurtured and enhanced.

ACTIONS FOR EMPLOYERS AND RECRUITERS:

1. **Drive good practice in the management of a contingent workforce** – peer-to-peer networks such as the REC’s Good Recruitment Collective are a means of learning from what works.

2. **Ensure transparency and compliance in all recruitment supply chains** – this is key to ensuring that flexible workers know their rights and to avoiding reputational damage.

3. **Stay on top of external developments** – regulatory changes and evolving jobs market dynamics will impact on flexible staff. Ensuring a reliable source of expertise and guidance will help navigate these changes.

4. **Showcase the contribution of contractors, freelancers and temporary agency workers** – flexible workers have become ever more important as a way of harnessing specific expertise and meeting the needs of business and consumers. We need to recognise and celebrate this contribution.

5. **Be proactive in influencing the political debate** – future immigration policy must ensure that UK employers can maintain access to flexible workers from abroad. Providing practical examples of the contribution that flexible workers make will play a key part in influencing this agenda.

6. **Raise awareness of different ways of working** – employers and recruiters can build a better bridge between education and the world of work by working with local schools and colleges. This must involve raising awareness of flexible work.
ACTIONS FOR THE GOVERNMENT:

1. **Ensure that the UK regulatory landscape supports two-way flexibility** – the recruitment sector is already well regulated. Legislation must evolve to reflect the changing world of work, but without jeopardising one of the UK labour market’s greatest strengths – its two-way flexibility that benefits both workers and employers.

2. **Enforce existing regulations to protect workers and compliant businesses** – effective enforcement of existing regulations is key to protecting the interests of flexible workers and to ensuring a level playing field for compliant businesses. This must include clarity on the legal status and obligations of umbrella companies and online recruitment apps.

3. **Broaden the apprenticeship levy to boost progression for flexible workers** – evolving the apprenticeship levy into a broader skills levy would boost training opportunities for hundreds of thousands of workers on flexible and temporary contracts.

4. **Harness flexible working options to facilitate career transitions** – high-profile redundancies have underlined the importance of helping workers transition into new roles and sectors. The government’s Rapid Response Service must signpost flexible work as a way of earning money quickly and learning new skills.

5. **Ensure that immigration policy maintains access to flexible workers** – temporary workers, contractors and freelancers from overseas play a pivotal role across a range of sectors. Future immigration policy must maintain this crucial outlet for UK employers.

6. **Prepare future generations for the changing world of work** – education policy must help the next generation of workers to prepare for increasingly non-linear career options and raise awareness of different ways of working.
APPENDIX 1: THE RIGHTS OF AGENCY WORKERS IN THE UK

All agency workers in the UK are entitled to a number of rights, including:

- National Minimum Wage
- Protection from unlawful deductions from wages
- Statutory Sick Pay
- Statutory Maternity and Paternity Pay, Shared Parental Pay and Adoption Pay
- Statutory holiday entitlement – 5.6 weeks’ paid holiday a year
- Minimum rest breaks
- Maximum working time – 48 average hours a week, or you can opt out of this if you choose
- To be automatically enrolled onto a pension if you meet the required criteria
- Protection from unlawful discrimination under the Equality Act 2010
- Protection from whistleblowing
- Health and safety protections
- Right not to be charged direct or indirect fees for finding a job
- Protections from being restricted from working elsewhere

Recruitment agencies are legally required to inform the workers who sign up with them of the type of contract, the pledge of payment, the type of work and the notice period they will have.

THE AGENCY WORKERS (AMENDMENT) REGULATIONS 2019

These Regulations will repeal the ‘Swedish Derogation’ model, meaning that as of 6 April 2020 agency workers can no longer waive their rights to equal pay. Agency workers on a Swedish Derogation contract must receive a written statement (no later than 30 April 2020) confirming that the agency worker is entitled to the rights relating to equal pay. If the temporary work agency does not comply with the above requirement, the agency worker can bring a claim to an employment tribunal and claim compensation.
THE EMPLOYMENT RIGHTS (EMPLOYMENT PARTICULARS AND PAID ANNUAL LEAVE) (AMENDMENT) REGULATIONS 2018

These Regulations come into force on 6 April 2020 and amend the Employment Rights Act 1996 to provide the right to a written statement to employees from day one. Specific information must be provided which includes:

- Days and times they are required to work
- Duration of the contract
- Notice periods
- All remuneration, not just pay
- Entitlement to sick leave and pay
- Other entitlements such as maternity/paternity leave
- Training entitlements
- Duration and conditions of any probationary period

THE EMPLOYMENT RIGHTS (EMPLOYMENT PARTICULARS AND PAID ANNUAL LEAVE) (AMENDMENT) REGULATIONS 2018

Regulation 16 of the Working Time Regulations 1998 is amended to change the reference period for calculating annual leave pay from 12 to 52 weeks. This comes into force on 6 April 2020. The reference period is applicable to workers whose pay varies because they do not have normal working hours, or they have normal working hours but the amount of work or days or times they work typically changes every week. If a worker has not worked for 52 weeks, the reference period is the number of weeks for which the worker has worked.

THE EMPLOYMENT RIGHTS (MISCELLANEOUS AMENDMENTS) REGULATIONS 2019

These Regulations come into force on 6 April 2019 and 6 April 2020. The Regulations amend existing legislation as follows:

- The Employment Tribunals Act 1996 is amended and increases the maximum financial penalty available for aggravated breach of a worker’s employment rights from £5,000 to £20,000. The government’s intention is that the increased penalty will deter employers from breaching employment law.
- The Employment Rights Act 1996 extends the entitlement to the written statement of employment particulars to all workers and not just employees.

THE CONDUCT OF EMPLOYMENT AGENCIES AND EMPLOYMENT BUSINESSES (AMENDMENT) REGULATIONS 2019

The Regulations will come into force on 6 April 2020. There will be a new requirement under Regulation 13A for the employment business to give work-seekers and candidates a ‘key information document’ before there is an agreement in place. The purpose of the key information document is to address the lack of transparency in who is responsible for paying candidates and the actual amount they receive, particularly now that supply chains are more complex. The content of the ‘key information document’ differs depending on who the employment business’s work-seeker is and must include details such as the identity of the worker, the identity of the employer, rate of pay, and deductions from pay and leave entitlements.
APPENDIX 2: METHODOLOGY

This report is largely based on a survey of 4,082 adults in Great Britain conducted by ComRes for the REC. The survey was carried out online. Fieldwork was undertaken 7–13 August 2019. Data were weighted to be representative of all GB adults (aged 18+).

In addition, the following research was used:

- A survey produced by ComRes, who interviewed 200 employers involved in hiring, by telephone from 5–29 August 2019. Data were weighted to be representative of UK adults in employment by region, broad industry sector and public/private split.
- Testimonies of senior recruitment professionals, whose recruitment agencies are REC members.
- Testimonies of temporary workers who secure work through recruitment agencies that are REC members.
- A poll conducted at the 2019 TREC Conference, held on 4 June.
- A review of the relevant literature.

This research was conducted and authored by Thalia Ioannidou, Research Manager at the REC.

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The REC is all about brilliant recruitment, which drives our economy and delivers opportunity to millions. As the voice of the recruitment industry, we champion high standards, speak up for great recruiters, and help them grow. Recruitment is a powerful tool for companies and candidates to build better futures for themselves and a strong economy for the UK. Find out more about the Recruitment & Employment Confederation at www.rec.uk.com.