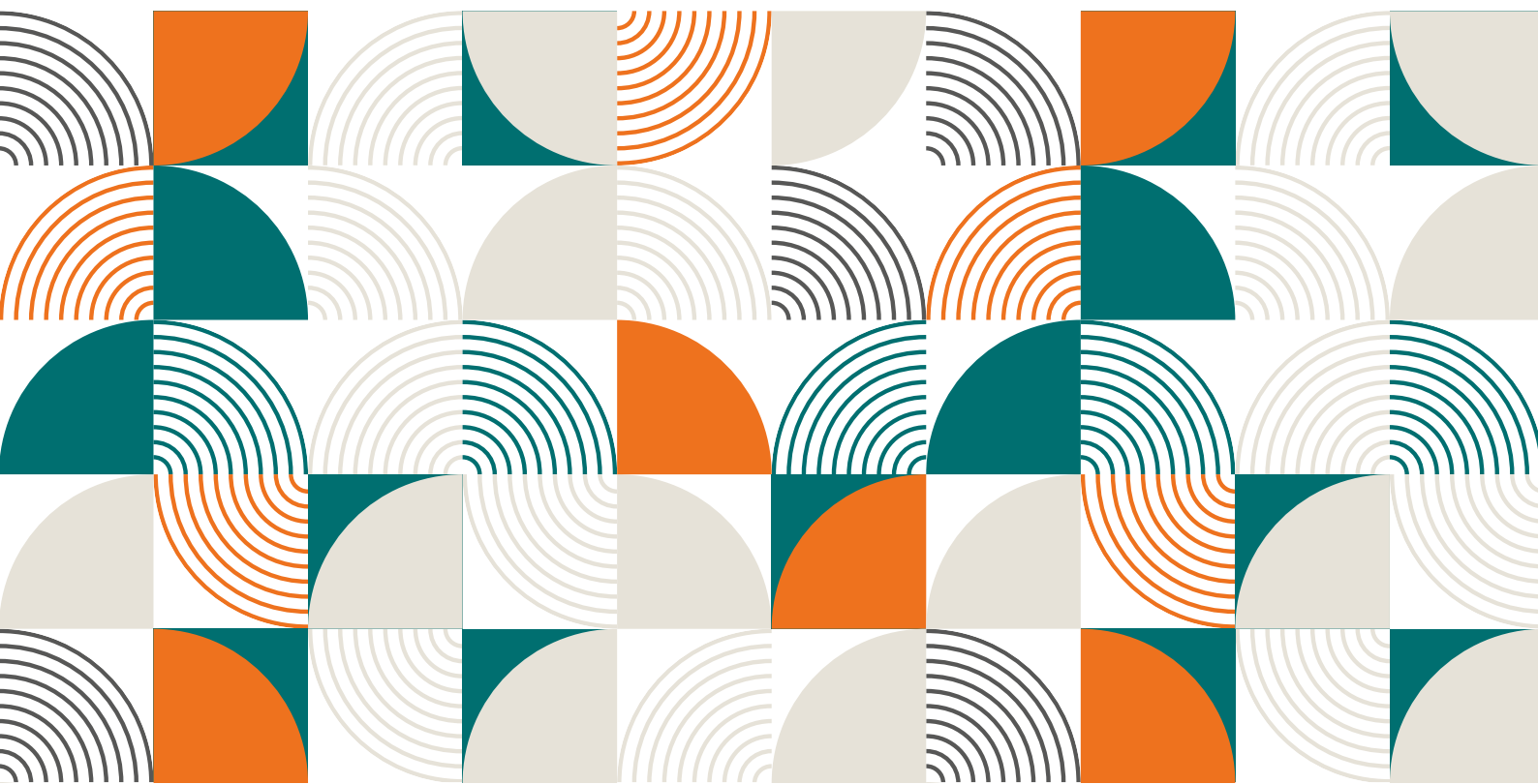


Can a more flexible jobs market raise the status and pay of part-time workers?

A report on the market failure in flexible and part-time jobs for low paid workers, and how fixing this could have a positive impact on living standards, job mobility, under-employment and business access to talent and skills



A partnership between



Research partners:



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EXECUTIVE SUMMARY

The last decade has seen growing recognition that flexible working is good for business and good for people. There has also been change in the workplace, with the new trend towards hybrid patterns for office workers since the pandemic. Yet there has still not been a significant shift towards good flexible work becoming the norm for all. And the situation at the point of hire lags far behind workplace practice on flexibility, creating barriers to progression for people who can't work a full-time, 9-5 schedule.

At the same time, the UK is facing a labour market crisis with demand far outstripping the supply of candidates, and a cost of living crisis that is hitting hard for low income households.

This report sets out how the lack of flexible jobs at the point of hire, in particular part-time opportunities, traps certain groups of people out of work or in low-pay – parents, older workers and people with disabilities (our 'priority groups'). We also explore why many employers are still resistant to offering flexibility from the point of hire, and look at what interventions might catalyse change.

Our aim is to stimulate further business and policy action on flexible hiring, to help reduce underemployment and raise living standards.

THE FAILURE IN THE FLEXIBLE JOBS MARKET

Well over half of all UK employees work flexibly in some way, and latent demand is higher still – 87 percent of workers want to work flexibly¹. Yet only 30 percent of job adverts offer flexible working.

Moreover, much of the availability of flexible jobs now comes in the form of hybrid working options, since the pandemic. This masks the fact that part-time job opportunities have barely grown at all. Demand for part-time is more than double the supply of vacancies: 1 in 4 people (over 8 million) are either working part-time, or seeking a part-time job, yet only 1 in 8 jobs are available with this option.

The problem facing part-time workers is compounded by the fact that the few part-time jobs that are available are concentrated at low-paid salary levels. Below £20,000 FTE, 22 percent of job adverts offer part-time work, but this almost halves to 12 percent at the £20k point, and reduces further as salaries rise (to just 6 percent amongst jobs paid more than £60k FTE).

Meanwhile, for hybrid working, the pattern is flipped: home-working is available in only 4 percent of jobs paid less than £20,000, but this rises to a peak of 21 percent for jobs paid £60k-£79k. There is a two-tier pattern of flexibility, with home-working being the preserve of better paid job vacancies, while part-time is linked strongly to low pay.

Our analysis shows that the association of part-time with low pay is reflected in the workplace. The hourly pay rates of part-time workers are lower than full-time people qualified to a similar level, due to differences in the occupations in which part-time and full-time individuals are employed. At every qualification level, a higher proportion of full-time workers are employed in higher skill and earnings occupations. At NQF level 2ⁱ, for example, half as many part-time workers are in higher level occupations, compared with their full-time counterparts (16 percent compared to 34 percent).

These findings suggest that people are being forced to trade skilled, well-paid jobs for part-time work at lower levels of pay, corroborating the findings of other studies². They become trapped in these low-paid jobs, because there are insufficient part-time jobs at higher salaries.

Those in our priority groups are disproportionately disadvantaged by this, as their need to work part-time is greater. For example, 38 percent of single parents want to work part-time, compared to 24 percent of coupled parents and only 17 percent of people with no dependent children. Disabled people and older workers also have a greater need for part-time work than their counterparts.

The lack of part-time job opportunities at higher pay levels is causing career blocks for people wanting to change jobs and take their flexibility with them, or return to the labour market on a part-time basis.

ⁱ For example, GCSE grades 4 to 9 (previously graded A* to C)

THE POTENTIAL IMPACT ON LIVING STANDARDS OF AN INCREASE IN PART-TIME JOB VACANCIES

For our priority groups, we identified the pay level at which a person might be able to achieve an acceptable standard of living, as being £11.17 per hour. LFS data finds that nearly twice as many part-time workers earn below this threshold, compared to full-time workers (61 percent versus 32 percent), and our own analysis in this report shows that many people in low-pay part-time jobs have the qualifications to do better.

An estimated 521,000 people in our priority groups want to work part-time, but are either workless (122,000 of them) or working part-time at a lower hourly pay rate, in jobs they are over-qualified for.

Having estimated the number of people in our groups with the potential to benefit from getting a quality part-time job, we next looked at the impact on poverty rates. For households in which that person is currently workless, the difference is considerable: for workless single parents, the poverty rate falls from 70 percent to 10 percent as a result of getting a decent part-time job; for coupled parent households, it falls from 70 percent to 45 percent; for households with a disabled person, from 57 percent to 7 percent; and for older people from 56 percent to 13 percent.

There is a knock on effect on benefit claims, with the biggest reductions naturally occurring when the individual moves from being unemployed to being employed in a quality part-time job – the decreases in benefits are between £155.37 per week and £27.35 per week for different household scenarios. For those moving from a part-time job to a better paid one, there are benefit savings of up to £24.33 per week.

WHY ARE EMPLOYERS RESISTANT TO INCREASED FLEXIBLE HIRING FROM DAY ONE?

The jobs market is broken for people who need to work flexibly, as insufficient vacancies are available. The key barrier is employer resistance.

In our survey of 1000 senior business decision makers (which was followed up by 20 qualitative interviews), a hard core of 39 percent say they never offer flexible working in their job adverts. The main underlying reasons for resistance were found to be:

- **Inertia** There was a low appetite for change amongst several businesses ('if it ain't broke, don't fix it'), and sometimes a simple lack of awareness of the potential benefits ('it hasn't occurred to us to try it').
- **Lack of trust** Almost half of the surveyed employers (46 percent) were unwilling to offer flexible working until an employee had proved themselves. In some cases the lack of trust was articulated as doubting the commitment of candidates seeking flexibility.
- **Lack of understanding of the need for clarity in job adverts** Over 1 in 3 employers put the onus on candidates – with 15 percent assuming they would ask at interview and 24 percent saying they preferred to leave flexibility to the negotiation stage once the job is offered. (The reality is that candidates are nervous to ask, and many simply won't apply for a job where flexibility is not overtly on offer).
- **Concern about operational constraints** 15 percent of employers said they struggled to design some roles flexibly, while 12 percent felt it was incompatible with their business requirements or infrastructure.
- **Concerns about parity between employees** 17 percent were worried that offering flexibility to new hires would cause tension amongst existing staff and 'open the floodgates'. Fears like these tended to come from businesses with cautious approaches to flexible working for their existing staff.
- **Fundamental unease with flexible working** Several employers said they struggle with managing flexible working amongst their existing staff, mentioning the challenge for monitoring productivity and the potential for poor performers to slip under the radar.
- **Views on part-time work specifically** It generally didn't occur to employers to open full-time jobs up more widely to part-time working. When this was discussed in the interviews, any interest in part-time recruitment was restricted to roles that easily lent themselves to this pattern of working. Several employers said they would not consider it for office staff or managers.

Employers were also asked what might influence them to start recruiting flexibly. They told us that their managers lack training and need better guidance and support that is relevant to their sector. They also need more examples of how to make flexible working work well, and better evidence of a financial return on investment. Tax incentives or subsidised help would also make a difference, for SMEs in particular.

However, change will not come easily for those employers who remain strongly resistant to flexibility, especially in frontline businesses with high staff churn and low profit margins.

IMPLICATIONS FOR THE RECRUITMENT MARKET

Employers are missing out on a huge pool of diverse talent and skills by not considering part-time work during the recruitment process. They will be unable to attract people who have a part-time job currently, unless they offer a similar working pattern; more than half a million workless people are seeking a part-time job; and many others who have left the labour market citing ill health during the pandemic could potentially be tempted to return with reduced hours.

Employers are also failing to maximise the skills of their existing part-time workforce, many of whom are highly likely to be over-qualified for their jobs. If they enabled more opportunities for people to take their part-time arrangement into more senior jobs, they would make better use of people's skills and potentially drive up performance.

And employers who want to help support people through the cost of living crisis would do well to consider opening up to greater flexibility. Unlocking more quality jobs to flexibility, especially part-time, could help people access better work and raise their living standards.

RECOMMENDATIONS FOR EMPLOYERS

- **Strategic development at an organisational level** to build the business case for flexible hiring, investigate barriers and shift mindsets if needed.
- **Internal and external communications** to champion flexible working, including showcasing role models.
- **Training and guidance for managers** to include how to design flexibility into jobs, in a way that is compatible with the business needs of the role. This should include the feasibility of part-time options, and better schedule predictability for shift-based roles.
- **Recruitment practices** to be adapted to proactively consider flexible working from the point of hire, and offer it overtly in job adverts wherever possible. Piloting flexible hiring first, in one department or in one type of role, can give other departments the confidence to follow suit.

RECOMMENDATIONS FOR BUSINESS INTERMEDIARIES

- **Combined authorities, local authorities and local enterprise partnerships** to align action on flexible hiring with the delivery of inclusive growth strategies.
- **Trade and industry bodies** to call on their members to take action on flexible working, and support them by signposting guidance and resources.
- **Recruiters and restart providers** to champion flexible hiring to their employer clients wherever possible and provide guidance on how to adapt recruitment processes.

RECOMMENDATIONS FOR THE UK GOVERNMENT

- **Bring forward the employment bill** to include Flexible Working by Default from day one, with an additional duty on employers to consider flexibility and state it where possible in job adverts.
- **Introduce a requirement**, through the Cabinet Office, for all organisations receiving public funds to commit to considering flexible working from day one.
- **Make affordable childcare a priority**
- **Commission analysis** of the positive financial return of investing in flexible hiring.
- **Introduce a flexible job design training module** through BEIS, to support SMEs to build their capabilities.
- **Fund flexible hiring pilots** within DWP's in-work progression trials and through its 50Plus initiatives for older workers.
- **Convene employers to undertake flexible hiring trials** at a sector level, through the Women's Business Council within GEO, with a focus on part-time work.

FOR DEVOLVED GOVERNMENT

- **All devolved governments** to change the right to request flexible working to a day one right, through devolved employment legislation.

INTRODUCTION

Flexible working, in all its different forms, helps provide a more harmonious work-life balance, removing stress and generally improving mental well-being. Perhaps more importantly, for many people, finding a part-time job can be the difference between being able to work at all, or not, with significant impact not just on their finances, but on their sense of self-worth and ability to have a fulfilling, rounded life.

For employers, offering flexible working can attract a wider talent pool, helping to build a more inclusive workplace. And it can enhance staff motivation by making people feel listened to, and trusted with a degree of control over their working patterns. More specifically, offering part-time work can help to ensure that all their people are able to utilise their skills to the full as they progress in their careers, helping to address skills shortages and the gender pay gap.

It is ten years since Timewise first looked at the flexible jobs market with JRF, exploring its potential to reduce underemployment and raise living standards, and nearly seven years since our last report on the topic³. There has been some limited progress since then: there is greater acceptance of the business case for flexible working, with some firms adapting their hiring practices; legislative change for flexible working to be a day one right is under consideration by the government; and the pandemic has ushered in widespread ‘hybrid working’ arrangements for many office staff.

But in spite of all this, there has not yet been a significant shift towards good flexible work becoming the norm for all. And at the same time, the UK is facing a labour market crisis with demand far outstripping supply, and a cost of living crisis that is hitting hard for low income householdsⁱⁱ. Offering flexible working at the point of hire

could support economically inactive people to return to the labour market, as many of them have left it during the pandemic, particularly older workers and those citing ill health as the main driver⁴.

This report aims to stimulate further business and policy action on flexible hiring. It presents evidence of the need for change, explores why employers are proving so slow to offer better flexible work, and looks at what interventions might catalyse change.

FLEXIBLE WORK AND POVERTY

The lack of quality flexible jobsⁱⁱⁱ is a major structural barrier to better work for those who can’t work the traditional 9-5 due to caring responsibilities, health issues or age. A wealth of evidence⁵ shows that the problem traps many people in low pay, reduces their well-being, limits job mobility, and increases workplace inequality. Most importantly, for some, quality flexible work is a prerequisite to entering and remaining in the labour market at all.

FLEXIBLE WORK AND THE LABOUR MARKET

The lack of flexible hiring is puzzling, at a time when employers have unprecedented levels of job vacancies and are experiencing candidate shortages; and there is also increased awareness that flexibility is a powerful tool to attract candidates. Non-participation in the labour market has risen significantly during and since the pandemic – around half a million people have stepped away from work and not returned⁶, with the majority being aged over 50, citing ill health or the challenges of caring commitments.

ⁱⁱ It’s important to note that our research uses data from before the start of the cost of living crisis, and some of it may therefore have changed significantly – particularly the MIS data calculating the minimum income needed to sustain an acceptable standard of living.

ⁱⁱⁱ Throughout this report, a ‘quality’ job is defined as one paying more than £20,329 pa, and does not denote any other employee benefits, as explained in the definitions section. The reason for the precise salary is based on analysis of minimum income standards, which is presented in the report.

THE RISK OF CREATING EVEN GREATER INEQUALITIES FOR FLEXIBLE WORKERS

In the last two years, office workers have reaped the benefits of being able to work partially from home, and the wholesale shift to 'hybrid working' looks set to stay. However, most workers (especially low-paid frontline workers) are less impacted by this new trend, and other forms of flexible working (including job share, flexi-time, compressed hours, term-time jobs, and part-time working) have seen far less growth at the vacancy level. Moreover, frontline workers are facing more intensive and precarious working conditions⁷.

A two-tier system is emerging, widening the gulf between those in professional roles with autonomy over how they work, and those in poor quality, low-paid jobs. Women, older workers, and those with health issues and caring responsibilities are disproportionately impacted. Women are evidenced to still take on most of the burden of additional childcare, which drives a particularly strong need for part-time and flexible working, and the lack of it is a major contributor to the gender pay gap⁸. And while more recent evidence shows that a higher proportion of second earners are returning to work full-time due to the growing cost of living squeeze, this doesn't apply in single parent households, who remain more likely to need part-time work than coupled parents⁹. Women from minoritised ethnic backgrounds are the most likely of all to be trapped in low paid and insecure work. For example, they are almost twice as likely as men, and 1.5 times more likely than white women, to be on zero hour contracts¹⁰.

Left unchecked, the divergence of more flexibility for office workers (in the form of hybrid working) and less flexibility for frontline workers (where only part-time or flexible hours are possible) creates serious risks for employees as well as for job seekers.

THE OPPORTUNITY

Employers are grappling like never before with the rapid shift to hybrid and flexible working¹¹, and are therefore unusually open to influence and support to develop their approach more proactively. Retaining and attracting talent is a key concern, and most employers now know that flexible working is viewed as an important employee benefit; nearly half (48 percent) of managers fear that staff could quit if not allowed to continue working from home beyond the pandemic¹². However, many employers acknowledge their leaders do not yet have the skills and capabilities to manage this transition¹³. For most organisations, a significant culture shift will be needed to establish new ways of working.

Likewise, from a policy perspective, in local to regional to national government, the spotlight on workplace inequalities and flexible work has never been greater. Rethinking 'how we design work for the benefit of all' is a key component in a spectrum of policy priorities such as levelling up, inclusive growth, and tackling in-work poverty. However, stimulating good flexible work is not always seen as an enabler to these policy aspirations. And where it is indicated as an 'ask' of employers, many initiatives (for example good work charters¹⁴) struggle to provide the practical support and interventions needed to stimulate a shift in employer behaviour and practice.

More evidence is needed of the potential benefits of flexible working, to encourage greater action by both employers and policy makers to stimulate a quality flexible jobs market, and to invest in the organisational changes and management support that will enable this to happen.

OUR APPROACH

The aims of this report were to:

- Explore how the lack of flexible jobs at the point of hire, and in particular part-time jobs, contributes to low living standards for certain groups of people: parents, older workers and people with disabilities (referred to in the report as our ‘priority groups’)
- Estimate the potential impact on living standards for these groups of people, and also on benefit outlay, if a greater number of better paid part-time jobs were available
- Explore the reasons that underlie employer resistance to flexible working at the point of hire
- Set out some recommendations for employers and policy makers to address the issues.

To meet these aims, we looked at supply and demand for flexible jobs, focusing particular attention on the concentration of part-time work in low-paid jobs and the consequent pay differential for people who need to work part-time. We went on to quantify underemployment amongst people who need to work part-time, and then looked at how many people in our priority groups could be lifted off benefits if they could get a part-time job at a pay level appropriate to their qualifications. Finally, we undertook some primary research to investigate employer resistance to offering flexible working in job adverts, and whether any interventions could persuade them to change their practice.

A full methodology is included in Appendix A.

TERMINOLOGY AND DEFINITIONS

What is meant by a ‘quality’ job?

For the purposes of this report, a ‘quality job’ refers to one that pays over £11.17 per hour, which is an estimate of the income level at which individuals in our priority groups might achieve an acceptable standard of living. This equates to an annual FTE salary of £20,329 based on a 35 hour week. Beyond pay, ‘quality’ does not denote any other potential employee benefits such as generous leave entitlement, financial incentives or an attractive workplace culture and environment. (See Appendix C for full details on how the pay threshold was calculated.)

What do we mean by a ‘flexible job’?

In this report, ‘flexible job’ means any advertised vacancy that is either part-time or offers home-working, flexible start and finish times, flexible shift patterns, remote working, hybrid working, term-time, job-share, or unspecific offers of ‘flexible working’ or ‘agile working’. However, the report focuses primarily on part-time work, as this is the main form of flexibility where people are financially disadvantaged, and also the main type of flexibility sought by the people in our priority groups.

Who are our ‘priority groups’?

The analysis focuses on three priority groups whose circumstances mean they tend to be in greater need of flexible work, especially part-time, and are therefore potentially disadvantaged by the lack of it:

- parents (single and coupled)
- older people (50+, excluding those who have declared themselves retired)
- disabled people

Note that the groups are not mutually exclusive – an individual can be both a parent and disabled, for example. As such, when a figure is produced for the groups as one whole, this may be lower than the sum of the separate group figures.

To avoid over-estimating the figures, several sub-groups were removed from the analysis as they were deemed to not be in a position to be seeking a quality part-time job. These groups include full-time students, those with work-limiting disabilities, parents with children under the age of 1 and carers. Other specifics on defining our priority groups can be found in Appendix B.

Finally, we were also interested to look at minoritised ethnic groups, for whom there is limited available data. Figures comparing the white and minoritised ethnic populations are shown where possible.

SECTION 1: EXPLORING THE FAILURE IN THE FLEXIBLE JOBS MARKET

HOW MANY JOBS ARE ADVERTISED WITH FLEXIBLE WORKING OPTIONS AT THE POINT OF HIRE?

The proportion of job vacancies that offer flexible working has increased significantly since Timewise and JRF's last report on this topic, from 10 percent in the data for 2015 to 30 percent now. However, most of the increase has occurred in the last two years, as a direct result of enforced home-working during the pandemic, which has now transitioned to 'hybrid working' being the norm for most office based workers. In spring 2022, when guidance to work from home was no longer in place, 38 percent of working adults reported having worked from home at some point over the past seven days¹⁵. Moreover, the prevalence of flexible working in the workplace is higher still, at 54 percent, when all types of flexible working are included¹⁶.

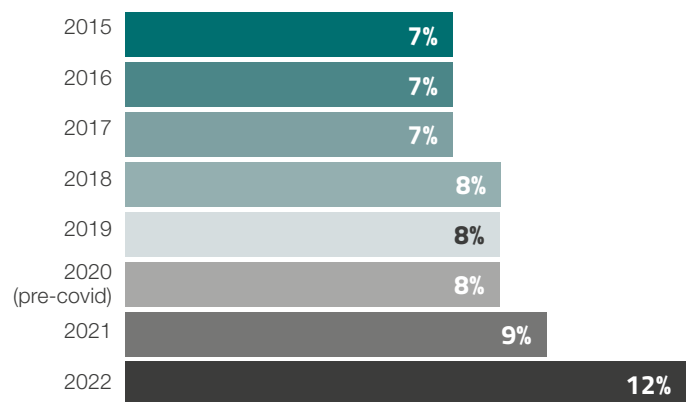
The practice of offering flexibility at the point of hire therefore remains surprisingly slow, with only 30 percent of jobs offering it. What is happening in the workplace is not reflected in the jobs market. And latent demand for flexibility is higher still – 87 percent of workers want to work flexibly in some way¹⁷.

It is important to look at this gap between supply and demand for jobs of all types of flexibility, because employers have been slow to understand that flexible hiring can attract a wider, more diverse talent pool – or perhaps there are complex reasons underlying their resistance. To understand this better, we undertook some quantitative and qualitative research amongst employers, which is reported in section 3.

Minimal growth in the availability of part-time jobs at the point of hire

As mentioned, most of the rise in flexible job vacancies is the result of increased home-working since the pandemic. This masks the fact that the availability of part-time has barely grown at all over the last eight years, as shown in Figure 1. Only 1 in 8 jobs (12 percent) are offered with the option to work part-time. The small increases in the last two years (from 8 percent pre-covid) are possibly the result of the type of jobs on offer as we emerge from pandemic (there are particularly high numbers of jobs in hospitality, social care and health jobs, where part-time is relatively strong).

FIGURE 1: YEAR ON YEAR TREND (Q1) IN THE PROPORTION OF JOB ADVERTS THAT ARE PART-TIME

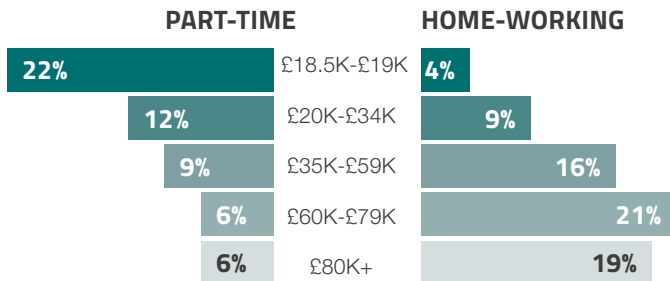


Source: Timewise Flexible Jobs Index (2015-2022)

Part-time was originally the key concern behind the introduction of the 'right to request flexible working', but it has become the forgotten type of flexibility in the new focus on hybrid working. The lack of part-time jobs at the point of hire is an acute problem for people who can only work in this way. It is also a problem for business, in terms of limiting access to talent and contributing to gender imbalance, as women are disproportionately impacted.

Uneven access to flexibility at different salary levels

FIGURE 2: PROPORTION OF JOBS ADVERTISED WITH PART-TIME OR HOME-WORKING, BY SALARY LEVEL



Source: Timewise Flexible Jobs Index (2022)

Access is strikingly different by salary level for the two main types of flexible working: part-time and home-working (including hybrid). Part-time clearly predominates in jobs below £20k FTE (22 percent of job adverts offer part-time work), while home-working (4 percent) is in short supply at this low-pay level.

As salary rises, the proportions are flipped. Part-time work almost halves to 12 percent at the £20k point, and reduces further to just 6 percent amongst jobs paid more than £60k FTE. Meanwhile, home-working rises to a peak of 21 percent for jobs paid £60k-£79k, before tailing off slightly.

This two-tier pattern denotes unequal access to flexibility, which causes career blocks for people wanting to change jobs and take their flexibility with them. And as the next few sections of the report will show, the lack of part-time jobs at salaries above £20k FTE is a particular and persisting problem for certain groups of people who are disadvantaged in the labour market.

HOW MANY PEOPLE WANT TO WORK PART-TIME?

Over 8 million people are either working part-time, or would prefer to. This constitutes a quarter of the total working age population in the UK.

LFS data, presented in Table 1, breaks this number down into three groups:

- Those not currently in work who are seeking part-time employment

- Those currently working part-time who are not seeking full-time employment (ie part-time is their preference, and not the result of being unable to find full-time work)
- Those currently working full-time who are seeking part-time employment.

The largest group is ‘already working part-time but not seeking full-time employment’. At 7.7 million, this is around 1.5 times as large as the figure (5.4 million) from the previous 2016 report by JRF and Timewise. The total demand^{iv} for part-time employment (8.4 million) is also significantly larger than in 2016 (5.8 million).

TABLE 1: NUMBER OF INDIVIDUALS IN THE UK WHO WANT A PART-TIME JOB

Work Status	Total 2020/2021 FY	2016 JRF report
Not currently in work and seeking part-time employment	0.5 million	0.4 million
Working part-time and are not seeking full-time employment	7.7 million	5.4 million
Working full-time but seeking part-time employment	0.1 million	N/A
Total demand for part-time employment	8.4 million	5.8 million

Source: LFS (2020/2021 FY)

However, the LFS data in Table 1 understates demand for part-time work, as it records only those who are actively seeking it. Because candidates can see that there is little supply of part-time work at salaries above £20k FTE, many feel they have no choice but to carry on working full-time (even if it is to the detriment of their health and well-being). Research conducted before the pandemic¹⁸ has suggested that as many as 1 in 4 full-time workers would choose to work fewer hours, provided they could do so without having to lower their hourly pay rate or damage their career progression. In other words, these people would be happy to take a salary cut in absolute terms, but are unwilling to sacrifice their value in the workplace.

Since then, the pandemic has stimulated fresh interest in working less, with considerable debate about a four day week¹⁹.

^{iv} In the tables in this section, and in commentary throughout the report, we use the phrase ‘demand for part-time work’ to mean the number of people who want to work on a part-time basis.

IS DEMAND FOR PART-TIME JOBS HIGHER AMONGST PEOPLE WHO ARE DISADVANTAGED IN THE WORKPLACE?

Certain groups of people need part-time work more than others, to fit with specific commitments and circumstances in their lives. These include parents and carers, disabled people and older workers (aged 50+).

For each of these groups, Table 2 shows the demand for part-time employment, as a percentage of each group's potential labour force (everyone in the group who is employed, unemployed or economically inactive and seeking work). This can be compared to the combined demand from all the priority groups, and to demand in the total UK potential labour force.

TABLE 2: DEMAND FOR PART-TIME EMPLOYMENT, BY GROUP

	Number who want part-time employment	Proportion of the group's PLF
Single parents	687,000	38%
Coupled parents	2,110,000	24%
Disabled people	524,000	27%
Older people	2,633,000	28%
Demand for all groups combined	5,116,000	27%
Demand in the total UK potential labour force	8,366,000	25%

Single parents need part-time work the most, with demand at 38 percent compared to the total UK figure of 25 percent. Demand in the other groups, and also for all the priority groups combined together (27 percent), appears much closer to the total UK percent, but the true differences are disguised by the presence of the priority groups within the UK potential labour force. The reality is that demand in all the groups is significantly higher than their directly comparable counterparts – the people who are not in their group. This is shown in Table 3.

TABLE 3: DEMAND FOR PART-TIME EMPLOYMENT FOR EACH GROUP, COMPARED TO PEOPLE WHO ARE NOT IN THAT GROUP

	Size of group	Prop of the group's PLF
Single parents	687,000	38%
Coupled parents	2,110,000	24%
People without dependent children	3,067,000	17%
Disabled people	524,000	27%
Not disabled	5,339,000	20%
Older people	2,633,000	28%
People who don't meet the 'older' criteria	3,230,000	17%
White	7,292,000	25%
Minoritised ethnic groups	1,074,000	24%

It is very clear from the data in Table 3 that demand for part-time work is significantly higher amongst all our priority groups, compared to their counterparts, and they are therefore disproportionately disadvantaged by the lack of it. Demand for part-time work is only 17 percent amongst people with no dependent children, compared to 24 percent for coupled parents and 38 percent for single parents. 27 percent of disabled people want part-time work, compared to 20 percent amongst those who are not disabled (the latter is a huge group, which of course includes many parents and older workers who want part-time for other reasons). And 28 percent of older people want to work part-time, compared to just 17 percent of those who do not meet the criteria for the older people group.

In table 3 we have also looked at minoritised ethnic groups, where there is demand of 24 percent for part-time work – slightly lower than demand amongst white people (25 percent).

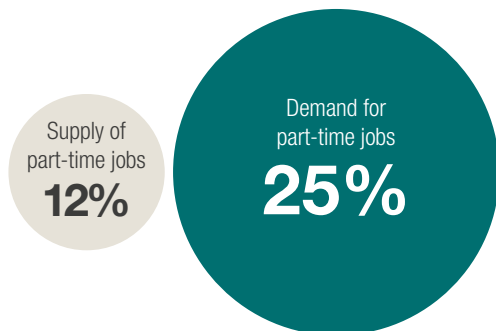
More detailed analysis is available in Appendix D, where the data for each group is broken down into those who are workless^v and want a part-time job, those employed part-time and not seeking full-time work, and those employed full-time but wanting to work part-time. The key point to note from this detailed analysis is that there are particularly marked differences (although the numbers are low in absolute terms) amongst workless single parents (2.7 percent demand compared to 0.5 percent amongst workless non-parents) and workless minoritised ethnic

^v By 'workless' we mean all those not in work, whether they are classed as unemployed or economically inactive.

people (2.9 percent demand compared to 1.3 percent amongst workless white people). For the disabled and older groups, the largest differences are amongst those who work part-time below the quality pay threshold: 25 percent of disabled people are in this group, compared to 19 percent of non-disabled people; and 28 percent of older people, compared to only 16 percent of people who do not meet the older people criteria.

To close this section of the report, it’s worth a reminder of the lack of part-time jobs at the point of hire. Figure 3 below shows that demand for part-time work is more than double the supply of vacancies in the jobs market. And, at 25 percent demand, this is only measuring those who either work part-time or are seeking a part-time job – the figure would be considerably higher if latent demand were included.

FIGURE 3: DEMAND IS MORE THAN DOUBLE THE SUPPLY OF PART-TIME JOBS AT THE POINT OF HIRE



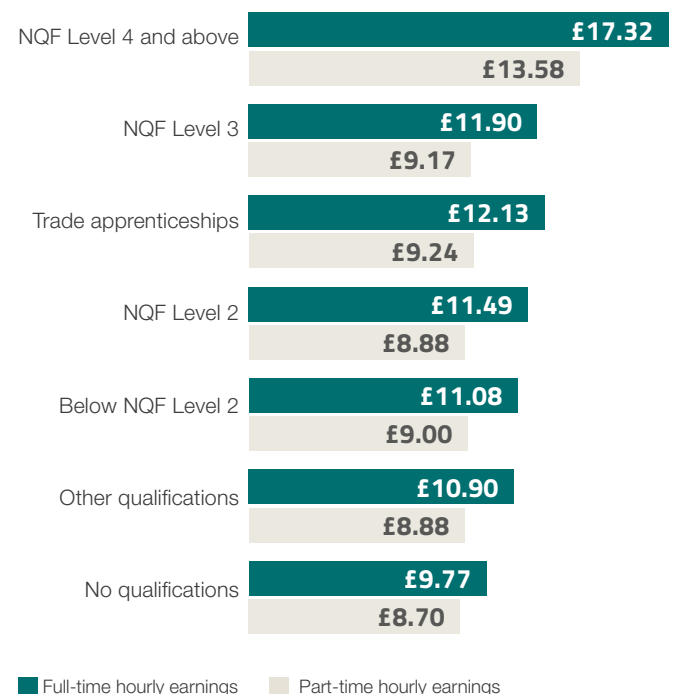
HOW MUCH IS THE PART-TIME PAY DIFFERENTIAL?

When looking at the various forms of flexible work, there appears to be no reason (and we know of no evidence) for a pay differential for employees who work from home or can have flexibility over the times when they work. But the story is very different for part-time employees.

Part-time workers, of course, earn less because they work less. But our analysis in this section shows that they take an additional hit – their hourly pay rates are lower than their full-time counterparts. This is not because an employer pays part-time workers a lower rate than full-time workers for the same job, but because large numbers of part-time workers end up in lower-skill, lower-paid jobs.

Figure 4 shows the difference in median hourly pay rates between part-time and full-time employees, by education level. Within all of the qualification levels, part-time workers are paid less per hour than their full-time counterparts. The gap is largest for those at higher qualification levels – at NQF Level 4 and above (degree level), part-time workers earn £3.74 per hour less than full-time workers, compared to gaps of £2.73 and £2.89 for NQF Level 3 and trade apprenticeship qualified individuals respectively.

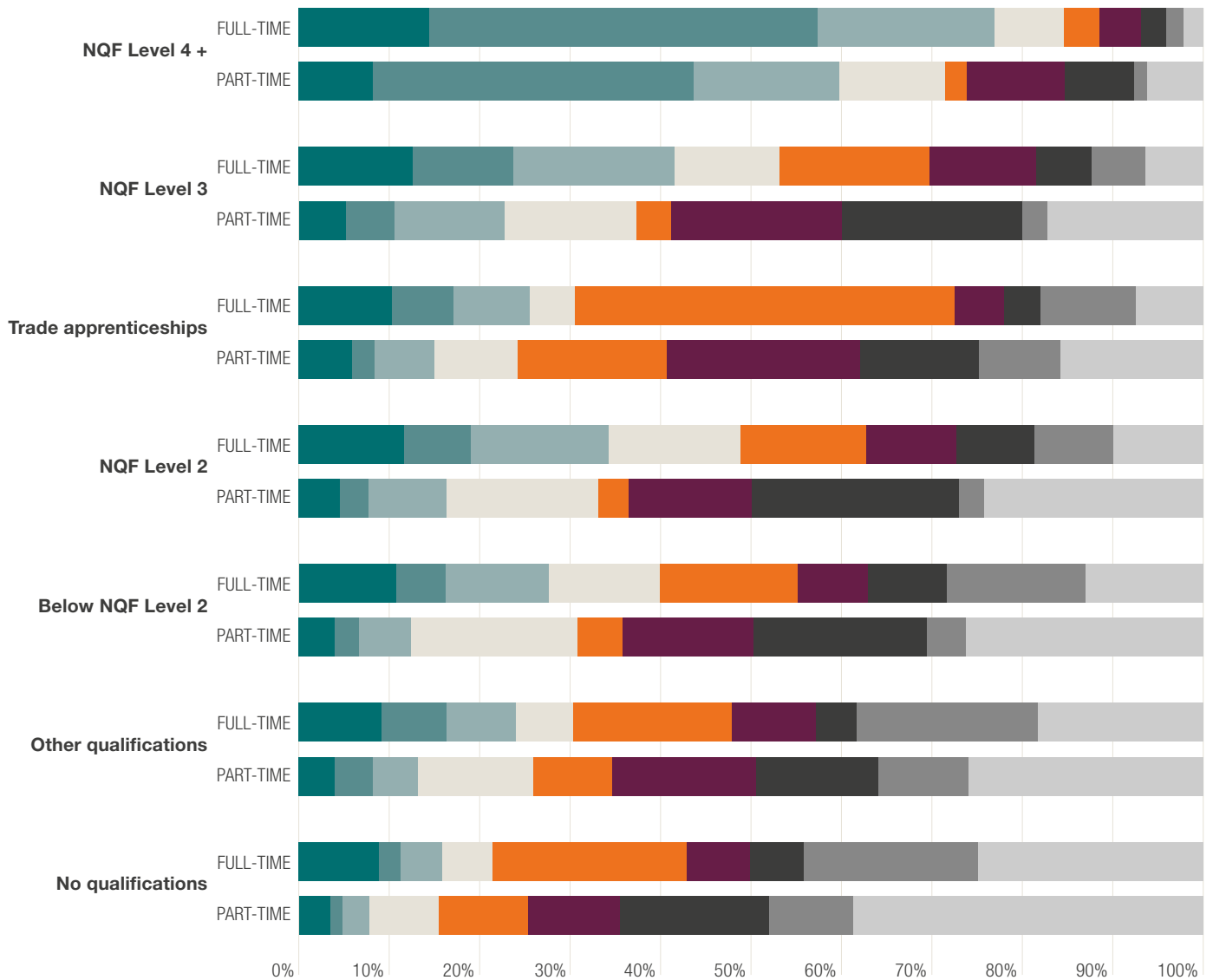
FIGURE 4: HOURLY EARNINGS FOR FULL-TIME AND PART-TIME WORKERS BY QUALIFICATION LEVEL



Source: LFS (2020/21 FY)

The pay differentials are largely due to differences in the occupations that part-time and full-time individuals are employed in, as shown in Figure 5. At every qualification level, the proportion of part-time workers in low skilled occupations is larger than that of their full-time counterparts. And at every qualification level, a higher proportion of full-time workers are employed in higher skill and earnings occupations (Managers, Directors and Senior Officials; Professional Occupations; Associate Professional and Technical Occupations). For example, at NQF Level 2 (GCSE grades 9 to 4), half as many part-time workers are in higher level occupations, compared with their full-time counterparts (16 percent compared to 34 percent).

FIGURE 5: OCCUPATION PATTERNS BY QUALIFICATION LEVEL, FULL-TIME VERSUS PART-TIME WORKERS



Source: LFS (2020/2021 FY)

- Managers, Directors and Senior Officials
- Professional Occupations
- Associate Professional and Technical Occupations
- Administrative and Secretarial Occupations
- Skilled Trades Occupations
- Caring, Leisure and Other Service Occupations
- Sales and Customer Service Occupations
- Process, Plant and Machine Operatives
- Elementary Occupations

The findings suggest that people trade skilled, well-paid jobs for part-time work at lower levels of pay, corroborating the findings of other studies²⁰. Their decision to do so may sometimes be a choice (for example, to take a less stressful role due to parenting responsibilities) but is far more likely to be the result of market forces – as we have seen, availability of part-time jobs is shockingly low at higher pay grades.

People who need to work part-time become trapped in low-paid jobs below their skill level, because there are insufficient part-time jobs at higher levels.

SECTION 2: HOW CAN AN INCREASE IN PART-TIME JOB VACANCIES RAISE PEOPLE'S LIVING STANDARDS AND REDUCE BENEFIT PAYMENTS?

SETTING A PAY LEVEL FOR A MINIMUM STANDARD OF LIVING, AND DEFINING WHICH PEOPLE MIGHT BE ABLE TO ATTAIN IT

Having seen the pay differential for part-time workers, we need to be able to link this to data on living standards, in order to analyse the potential impact of a person getting a part-time job that is appropriate to their qualifications and paid accordingly. But first, we need to set a salary benchmark for a minimum acceptable standard of living, and we also need to set a measure to quantify how many people can realistically expect to attain this salary level.

There are many possible ways to construct a threshold for a quality job. It could, for example, be based on a rate pinned to the National Living Wage or on a point in the earnings distribution; but here we have chosen to base the threshold on the Minimum Income Standard (MIS)²¹ for 2021. We have accordingly defined a 'quality job' as one that pays at least £11.17 per hour, equating to an annual salary of £20,329 for a 35 hour week. This is the average of the different pay thresholds for the different priority groups (as shown in Table 4), weighted by their population sizes.

Full details of the MIS calculations can be found in Appendix C.

TABLE 4: TARGET PAY THRESHOLD FOR QUALITY PART-TIME JOB

Group	Target pay per hour	Weekly equivalent (35 hours)	Annual equivalent (35 hours per week)
Overall average	£11.17	£391	£20,329
Single parent	£19.41	£679	£35,326
Coupled parent	£11.86	£415	£21,585
Older people	£6.94	£243	£12,631
Disabled	£11.61	£406	£21,130

Source: MIS (2021)

Single parents have the highest pay threshold to achieve minimum income standards, as there is only one earner in the family compared to two for couples; and this single earner has higher costs than non-parents because of providing for their dependent children. Older people, meanwhile, have the lowest pay threshold, given that they are less likely to have dependent children and have generally lower consumption levels.

LFS data shows that nearly twice as many part-time workers earn below the hourly 'quality job' pay threshold, compared to full-time workers (61 percent versus 32 percent, shown in Figure 6).

FIGURE 6: PROPORTION OF WORKERS EARNING BELOW THE QUALITY JOB PAY THRESHOLD OF £11.17 PER HOUR

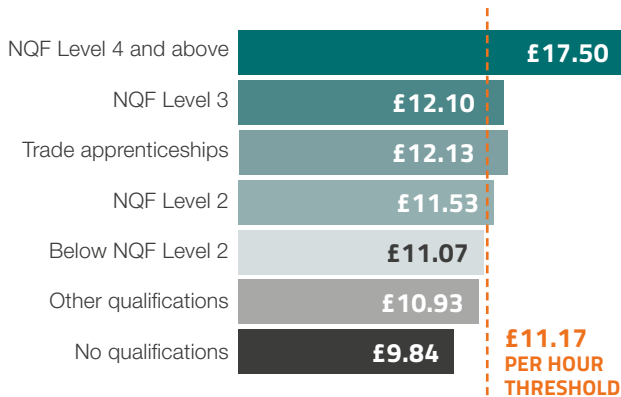


Source: LFS (2020/21 FY)

A measure now needs to be generated to determine how many people in our priority groups should be capable of attaining a part-time job above the pay threshold of £11.17 per hour, were more of them available. We approached this by identifying the minimum qualification level at which full-time workers earn above the quality job threshold. A part-time worker with the same qualification level should, with equal availability of job opportunities, be able to earn at or above this threshold too.

As shown in Figure 7, full-time workers with qualifications at or above NQF level 2 (GCSE grades 9-4) exceed the £11.17 threshold. All people qualified to this level are therefore deemed capable of obtaining a part-time job above the same hourly pay rate. Trade apprenticeships also fall into this category whilst individuals with qualifications below NQF level 2, or with other or no qualifications, do not (although only those with no qualifications at all fall significantly below the threshold).

FIGURE 7: MEDIAN HOURLY EARNINGS OF FULL-TIME WORKERS BY QUALIFICATION LEVEL



Source: MIS (2021) and LFS (2020/2021 FY)

Using qualification levels to assess attainable pay is perhaps a simplistic approach, as there will be many workers with fewer qualifications who earn more than £11.17 and vice versa. However, this method tallies with our earlier analysis of the pay differential for part-time versus full-time workers with the same qualifications. It is also the only measure that allows us to use LFS data to quantify the number of people who might benefit by getting a part-time job above the pay threshold.

HOW MANY PEOPLE COULD POTENTIALLY RAISE THEIR LIVING STANDARDS IF BETTER PAID PART-TIME JOBS WERE MORE READILY AVAILABLE?

To examine the potential of quality part-time jobs to raise people’s living standards, we first need to quantify how many individuals in our groups want such a job, have the qualifications to gain one, but are either workless or underemployed in low-paid part-time work.

Table 5 shows that an estimated 521,000 people in our priority groups fit these criteria. Older people (aged 50+) and coupled parents are the largest groups, between them accounting for 82 percent of all the people in our priority groups who fit the criteria. Minoritised ethnic groups make up 13 percent, which is roughly in line with their proportion of the working age population (14 percent) – they are not over-represented.

If we look at the potential UK working population as a whole (including, for example, full-time students and childless coupled people who are neither disabled nor classed as older workers), there are a total of 1.1m people who want a part-time job and have the qualifications to get one paid more than £11.17 per hour, but are either workless or paid below this threshold.

TABLE 5: NUMBER QUALIFIED TO GET A QUALITY PART-TIME JOB, AND WANTING ONE, BY GROUP AND SPLIT INTO WORKLESS AND WORKING PART-TIME BUT BELOW THE THRESHOLD (SUB-SPLIT BY ETHNICITY)

Target Group	Workless seeking PT work			PT employed, don't want FT work and earning below threshold			Total		
	White	Minoritised ethnic groups	Total	White	Minoritised ethnic groups	Total	White	Minoritised ethnic groups	Total
Single parent	23k	11k	34k	71k	13k	84k	94k	24k	118k
Coupled parent	33k	17k	50k	139k	15k	154k	172k	32k	204k
Older person	39k	3k	42k	171k	8k	180k	210k	11k	222k
Disabled	12k	3k	15k	47k	3k	49k	59k	6k	64k
Total for individuals in at least one target group	90k	32k	122k	366k	34k	399k	456k	66k	521k
Total in UK population	284k	103k	387k	635k	73k	708k	919k	176k	1.1 million

Source: LFS (2020/21 FY)

It should be noted that the figures in Table 5 may be understated in two respects:

- Restricting the workless category to those who explicitly state they are seeking part-time employment (rather than defining them as not seeking full-time employment)

- Defining the part-time employed category on having to earn less than £11.17 per hour excludes individuals for whom hourly pay is not recorded.

The analysis is performed in this way, however, to produce more conservative figures as opposed to overestimating the magnitude of the potential supply of individuals capable of acquiring a quality part-time job.

BY HOW MUCH COULD POVERTY RATES DECREASE?

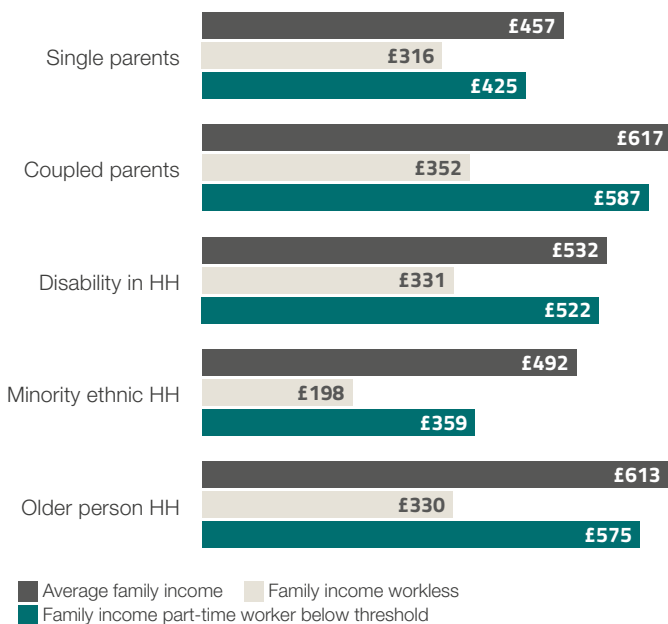
To examine poverty rates among the priority groups and to measure the potential impact of getting a part-time job, we first need to establish baseline data for household income.

Figure 8 presents the weekly family incomes of our groups, firstly for the average household in each group (the black bar) and then for households where at least one member has the qualifications to work above the quality job pay threshold, but is either workless (the beige bar) or works part-time below the threshold (the green bar). Workless is defined as either unemployed or economically inactive.

As expected, both these household types have lower than average income across all the groups, with 'workless' households being the poorest. For those families where a person works part-time below the salary threshold, household income is much closer to the average. But households with part-time workers above the salary threshold have clearly higher average household income levels.

Whilst not surprising, an interesting finding is that workless minoritised ethnic households have the lowest family income.

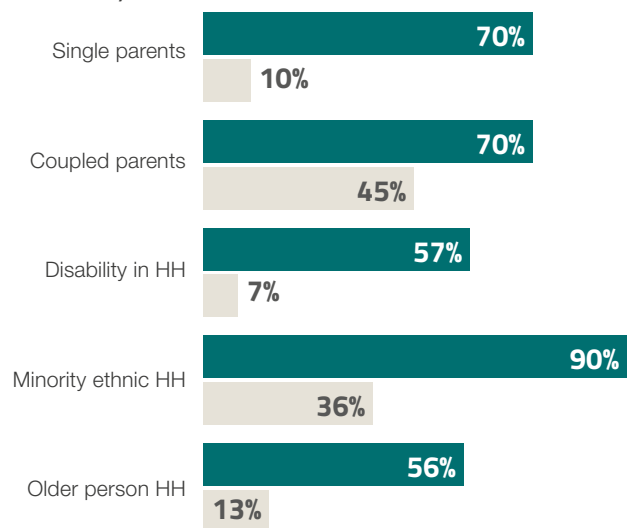
FIGURE 8: HOUSEHOLD INCOME BY GROUP (£/WEEK)



Source: Calculation by IES, combining data from FRS and HBAI with incomes equivalised using the OECD modified income scale.

Moving on now to the impact that getting a quality part-time job could have on poverty rates, we looked first at those groups where one person is workless. Wherever there is a workless person with the right qualifications and who is likely to be able to work (see Appendix E for our assumptions here), we moved the workless person to precisely the part-time hourly earnings for 20.5 hours per week, to see how the poverty rate changes. Figure 9 shows that the difference is considerable.

FIGURE 9: PERCENTAGE CHANGE IN HOUSEHOLD POVERTY BROUGHT BY A QUALITY PART-TIME JOB (WHERE AT LEAST ONE MEMBER IS WORKLESS)



Source: Calculation by IES, combining data from FRS and HBAI

The baseline rates of poverty (represented by the green bar in Figure 9) are high for all the workless groups. Amongst minoritised ethnic households that meet the criteria, 90 percent are in poverty; even the lowest poverty rates (for older households and those with a disabled person) are well above 50 percent.

The poverty rates for all the priority groups fall substantially when the workless person in each household gets a quality part-time job (the beige bar represents the new, lower poverty rate).

Single parents see the greatest improvement, due to them being the sole earner in the household. Their rate of poverty falls from 70 percent to 10 percent, as a result of the additional income from a quality part-time job. For coupled parents, the poverty rate drops from 70 percent to 45 percent; for households with a disabled person from 57 percent to 7 percent; and for older people from 56 percent to 13 percent. No group is lifted out of poverty completely.

A NOTE ON THE DATA USED TO CALCULATE POVERTY RATES

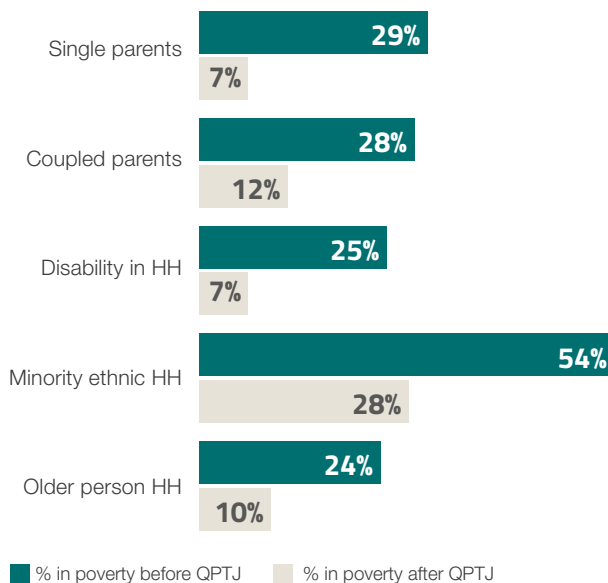
The data sets used for the poverty analysis are the combined Family Resources Survey (FRS) and the Households Below Average Income (HBAI)²².

These datasets are created in different ways from the LFS and MIS, which we used in earlier sections of the report. The differences (an explanation of which can be found in Appendix E) mean that the numbers involved in the poverty rate analysis will be overstated.

However, FRS and HBAI provide the best way to determine the impact of a quality part-time job on household finances for different household arrangements. Essentially the figures represent a ‘best-case scenario’, where everyone who is qualified for a quality part-time job obtains one (regardless of whether or not they are seeking part-time work).

Figure 10 looks at poverty rates for households where at least one member works part-time below the £11.17 threshold (and has the qualifications to earn more). In this instance, we move the part-time working person to precisely the part-time hourly earnings, keeping the hours they work the same, and see how the poverty rate changes.

FIGURE 10: PERCENTAGE CHANGE IN HOUSEHOLD POVERTY BROUGHT BY A QUALITY PART-TIME JOB (WHERE AT LEAST ONE HH MEMBER WORKS PART-TIME BELOW THE QUALITY JOB PAY THRESHOLD)



Source: Calculation by IES, combining data from FRS and HBAI

Not surprisingly, the baseline poverty rates for part-time worker households are much lower than for the workless households. A quality part-time job for a workless individual will boost family income considerably; whereas increasing the earnings of an individual working part-time, but earning less than the quality job pay threshold, will increase earnings by a lower amount.

Nevertheless, these part-time worker households still benefit from getting a better quality part-time job – for example the rate for single parents falls from 29 percent to 7 percent; minoritised ethnic households from 54 percent to 28 percent.

Finally, we should caveat the data in figures 9 and 10 by stressing that they refer to a small population of workless people and part-time workers earning less than £11.17 per hour. The large reductions in poverty rates are not large numbers in real terms.

HOW MUCH MIGHT BE SAVED PER PERSON IN BENEFITS?

An important aspect of the analysis is to consider how gaining a quality part-time job could impact benefit claims. This is highly related to the type of individual or household. For example, single parents are much more likely to be on benefits than coupled parents.

Table 6 shows that there is a significant fall in benefits claimed, for each of 24 different household scenarios across our priority groups, where a person gets a part-time job paid more than £11.17 per hour. The biggest fall in benefits claimed is amongst unemployed older people in a couple where their partner is also unemployed (scenario 7), with their total claimed per week falling from £160.18 to £4.81.

In six of the scenarios, the individual is moved off benefits altogether, although (for all except unemployed single older people and unemployed single disabled people) this is largely due to the baseline benefits being low to begin with.

The biggest reductions naturally occur when the individual in question moves from being unemployed in the baseline scenario to employed in a quality part-time job (as opposed to moving from a baseline scenario of having a low paid part-time job, to a part-time job above the quality pay threshold).

The Entitledto benefits calculator was used for this analysis – full details can be found in Appendix F.

TABLE 6: SCENARIO TESTING THE POTENTIAL FOR A QUALITY PART-TIME JOB TO REDUCE BENEFIT CLAIMS

Scenario	Benefits claimed per week (£)		
	Baseline	+ QPTJ	Decrease
Couple parents (2 children)			
1 Unemployed, partner unemployed	343.37	220.47	122.90
2 Unemployed, partner employed	244.80	121.85	122.95
3 Employed, partner unemployed	244.80	220.47	24.33
4 Employed, partner employed	146.18	121.85	24.33
Single parents (2 children)			
5 Unemployed	273.25	177.76	95.49
6 Employed	202.09	177.76	24.33
Older people (couple)			
7 Unemployed, partner unemployed	160.18	4.81	155.37
8 Unemployed, partner employed	27.35	0	27.35
9 Employed, partner unemployed	27.35	4.81	22.54
10 Employed, partner employed	0	0	0
Older people (single)			
11 Unemployed	119.48	0	119.48
12 Employed	4.51	0	4.51
Disabled (no children, couple)			
13 Unemployed, partner unemployed	168.22	20.64	147.58
14 Unemployed, partner employed	27.35	0	27.35
15 Employed, partner unemployed	27.35	20.64	6.71
16 Employed, partner employed	0	0	0
Disabled (no children, single)			
17 Unemployed	125.51	0	125.51
18 Employed	24.43	0	24.43
Disabled (2 children, couple)			
19 Unemployed, partner unemployed	323.27	220.47	102.80
20 Unemployed, partner employed	244.80	121.85	122.95
21 Employed, partner unemployed	244.80	220.47	24.33
22 Employed, partner employed	146.18	121.85	24.33
Disabled (2 children, single)			
23 Unemployed	274.45	177.76	96.69
24 Employed	202.09	177.76	24.33

Source: Entitledto benefits calculator

SECTION 3: WHY ARE EMPLOYERS RESISTANT TO FLEXIBLE HIRING FROM DAY ONE?

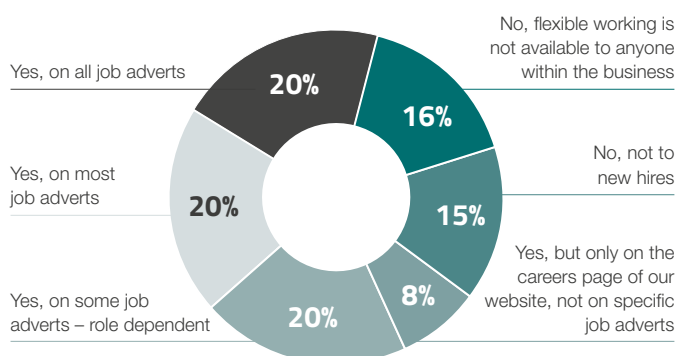
It is clear that access to better paid part-time jobs could help reduce benefit outlay and improve living standards for a large number of people. It would also allow people to pursue careers that are commensurate with their qualifications, possibly improving their sense of worth and overall happiness. Yet the jobs market is broken for people who need to work flexibly. Can it be fixed?

In this third section of the report, we explore employers' views of offering flexible working at the point of hire. If we can ascertain the underlying reasons behind any resistance, perhaps interventions could be devised to overcome them.

Our research took the form of a survey of 1000 senior business decision makers, followed up by qualitative interviews with 20 employers, to gain deeper understanding of the key issues. The findings of both stages of research are provided together below, including specific quotes from the interviews.

HOW OFTEN DO EMPLOYERS CLAIM TO OFFER FLEXIBLE WORKING IN THEIR JOB ADVERTS?

FIGURE 11: "WHEN HIRING, DOES YOUR BUSINESS ADVERTISE THE BENEFIT OF FLEXIBLE WORKING?"



Source: Savanta survey of business decision makers (2022)

40 percent of survey participants said that flexible working was on offer in all or most of their job adverts, with a further 20 percent saying that it was sometimes available, dependent on the role. This is a rosier picture than shown in the Flexible Jobs Index, which found that only 30 percent of job adverts do in fact offer flexibility as an employee benefit. However, the follow-up interviews suggested that amongst those employers who say they offer flexibility in their job adverts, this can often be to meet the needs of the business rather than the candidate. For example, the job adverts might specify that flexibility to work evenings or weekends is necessary, or offer the inherent flexibility of a zero hours job. There was a good deal of general misperception and confusion around what 'flexible working' actually means and who wants it.

A hard core of 39 percent of participants never offer flexible working in their job adverts (even though 1 in 4 of these work for businesses that have generic messaging about flexibility on their website). That's a significant proportion, and poses a challenge as it suggests a lack of belief that flexible recruitment is worth trying; persuading an employer of the business case for flexibility is the biggest hurdle to overcome.

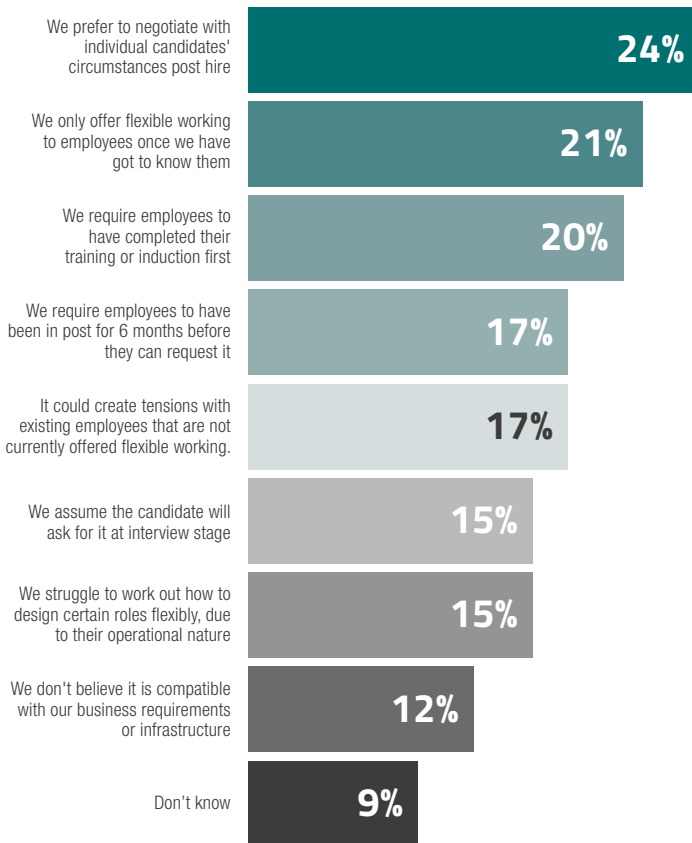
It is interesting to note that the rates of offering flexible working were generally lower amongst very small businesses employing fewer than 10 people (for example, only 10 percent of this group offered flexibility in all job adverts, while 33 percent said that it was not even available to anyone within the business). Fluctuations in the rates of offering flexibility were relatively slight across the other sizes of business.

“ We're not averse to it, but... 60% of management see it as a pain in the arse and the other 40% see some benefits.

ACCOMMODATION BUSINESS, MIDLANDS

WHY ISN'T FLEXIBLE WORKING OFFERED MORE OFTEN AT THE POINT OF HIRE?

FIGURE 12: "WHY DO YOU NOT CONSISTENTLY ADVERTISE FLEXIBLE WORKING BENEFITS TO NEW CANDIDATES IN JOB ADVERTS?"



Source: Savanta survey of business decision makers (2022)

As shown in Figure 12, the survey used a range of prompts to probe the reasons for resistance amongst those employers who did not routinely offer flexibility in all their job adverts. The varying reasons are explored under different themes below.

Inertia

Aside from the specific reasons given in the survey responses, the follow-up interviews exposed a low appetite for change amongst several businesses, with instances of inertia ("if it ain't broke, don't fix it"), or simple lack of awareness of the potential benefits ('it hasn't occurred to us to try it').

The importance of this cannot be over-stated – there is an education job to be done to change ingrained habits by persuading employers of the business case for flexible recruitment.

“ We haven't thought about it... the template doesn't include it.

RESTAURANT CHAIN, EAST OF ENGLAND

“ It's us not thinking outside the box. Managers are so used to the way they've been doing the job that it's difficult for them to consider how jobs could be done in a different way.

ENERGY COMPANY, MIDLANDS

“ We're used to working in a certain way and it's a case of 'if it ain't broke'.

ACCOMMODATION BUSINESS, MIDLANDS

Lack of trust

Lack of trust is the most significant issue that emerges from the survey. Some employers said they felt they needed to get to know the person first (21 percent), others that it was policy to wait until either induction was completed (20 percent) or for the full six months before government legislation grants the right to request flexibility (17 percent). The net aggregate of these statements shows that almost half of the surveyed employers (46 percent) were unwilling to offer flexible working until an employee had proved themselves.

The follow-up interviews confirmed a general reluctance to offering flexible working at the point of hire. In some cases the lack of trust was articulated as doubting the commitment of candidates seeking flexibility, and worrying about unrealistic requests.

“ If their expectations of flexibility are unrealistic we might question if they're right for the business.

TRANSPORT BUSINESS, MULTIPLE SITES

“ Flexible working is not offered to managers because the company wants to protect the business and is looking for commitment. You should be available for work when the business needs.

RESTAURANT CHAIN, EAST OF ENGLAND

Lack of understanding of the need for clarity in job adverts

Over 1 in 3 employers (36 percent) seemed open to flexible working from the point of hire, but put the onus on candidates – with 15 percent assuming the candidate would ask at interview and 24 percent saying they preferred to leave flexibility to the negotiation stage once the job was offered.

Greater awareness of candidate behaviour might persuade these employers to change their approach - research by Timewise Jobs²³ has shown that 40 percent of candidates who want to work flexibly will not consider a job advert that does not offer it. So there is potential talent being missed here. There is also potential wasted time, dealing with job applications from the 60 percent who want flexibility and try their luck applying for jobs intending to negotiate flexibility later.

Neither employers nor candidates want the hassle of rejections at the offer stage on the grounds that the desired flexibility is not possible for the role. A clear statement in the job advert about the extent to which flexibility is possible (or not) would help prevent this from happening.

“ *It's better to discuss at the interview stage as an additional perk, rather than advertise it as a core part of the role.*

ELECTRICAL MAINTENANCE COMPANY, YORKSHIRE

“ *There is no point saying the job is flexible until the interview as you need the discussion.*

TRAINING ORGANIZATION, CARDIFF

Concern about operational constraints

15 percent of employers said they struggled to design some roles flexibly, while 12 percent felt it was incompatible with their business requirements or infrastructure.

Specific concerns included the additional administrative burden (and cost) of covering shifts to meet the needs of service users; calculating pay and leave; the extra time needed for effective work handovers within teams; the time involved in recruiting more people and having a higher headcount, in order to meet the demand for part-time working.

However, research by Timewise has evidenced the considerable financial savings that flexible working can bring, through improved retention and reduced sickness absence²⁴. The benefits can potentially outweigh the costs.

“ *We need to have the right number of staff, we can't afford to have any gaps. Our priority is the needs of service users.*

HEALTH AND SOCIAL CARE ORGANISATION, MIDLANDS

“ *It can be an administrative nightmare to keep track of who, when and how to calculate annual leave, and sick and holiday pay.*

ACCOMMODATION BUSINESS, MIDLANDS

“ *Most people are used to sub-contracting in this industry and their instant thought might be if we don't have enough work we won't pay them.*

ELECTRICAL MAINTENANCE COMPANY, YORKSHIRE

Concerns about parity between employees

17 percent were worried about parity with their existing staff, and that offering flexibility to new hires would cause tension and ‘open the floodgates’.

Fears like these tended to come from businesses with cautious approaches to flexible working for their existing staff. Based on Timewise’s consultancy experience with hundreds of firms, it is certainly true that if there is unmet demand for flexible working in a workforce, there will be resentment to it being offered to new hires. Businesses need to transition to a positive flexible working culture before they can recruit flexibly.

“ *If we advertised the availability of flexible working externally we'd have a riot on our hands and internal grievances all over the place.*

TRANSPORT BUSINESS, MULTIPLE SITES

“ *There may be an element of fear – if we now start recruiting with the flexibility tag will all of our existing employees want their contracts changed?*

ENERGY BUSINESS, MIDLANDS

“ *It can very divisive as you'll have some people - normally parents - looking for maximum flex but this means someone else is picking up the slack... There's a danger of becoming inadvertently discriminatory and polarising.*

ACCOMMODATION BUSINESS, MIDLANDS

Fundamental unease with flexible working

The interviews revealed that several employers struggle with managing flexible working amongst their existing staff. They talked of increased challenges for monitoring productivity; and the potential for poor performers to slip under the radar. Many of these employers spoke of having had bad experiences with flexible workers in the past, and were reluctant to encourage it.

Flexible working isn't easy, it's true. It requires training on how to manage flexible workers, and often a transition to measuring performance based on output. In organisations where flexibility has been introduced without any consideration to job design or upskilling line managers, problems are inevitable. But with the right training in place, flexible working can be transformative and even improve productivity²⁵.

“ *If I can't see them I don't know what they're doing.*

FURTHER EDUCATION PROVIDER, MULTIPLE LOCATIONS

“ *Some staff were under the impression that they could say what they can and can't do and we had to take it. It was almost like they were dictating to me and it was about what they needed and not what the business needs. They became unreliable purely if we couldn't flex to them and go off sick or be a no show.*

CHAIN OF ENTERTAINMENT VENUES, CROYDON

“ *With remote working you have the issue of monitoring productivity. You need people to be available when they're needed not when they wish to be.*

ACCOMMODATION BUSINESS, MIDLANDS

Views on part-time work

Most of the employers we interviewed had part-time workers amongst their staff, and several would occasionally advertise part-time jobs when that pattern suited or was needed for the role. However, it generally didn't occur to them to open jobs up more widely to part-time working.

The simple fact that the question was raised in the interview led some employers to re-think. For example, one employer said he hadn't considered whether the business might be missing out on candidates looking for part-time work, but could see that these individuals might filter out job adverts that didn't include part-time

as an option. Upon discussion, he felt that this could be happening for the company's jobs, and will re-consider their approach. Another employer was talking about shift patterns when she realised that shifts could be split, and that there would be additional benefits from having more back-up cover in case of staff absence.

However, any interest in part-time recruitment was restricted to roles that easily lent themselves to this pattern of working. Several employers said they would not consider it for office staff or managers. This corroborates the situation in the jobs market, where part-time jobs are rarely advertised above salaries of £20,000 FTE. The availability of part-time jobs is linked to how they are created – based on employer requirements. As a result, part-time is more common in low-pay sectors such as retail, hospitality and social care, where employers need to use shift patterns to resource longer days and weekends.

Finally, one employer who was adamantly anti-flexibility made the rather curious admission that they lose half their candidates through refusing to meet requests for specific hours. Proof of the need to adapt recruitment practices, if ever there was one.

Positive attitudes to flexible working

Whilst the purpose of this section of the report is to explore employer resistance to flexible working, it's worth noting that several of the interviewees had positive approaches to it. This was usually with respect to their existing employees, but sometimes extended to flexible recruitment. These individuals could see the benefits to talent attraction and improved diversity. And one particularly proactive HR director had experienced success through careful management of culture change in her organisation.

“ *It's hard to find good staff. They'll want to go to the best place to work and offering flexibility enables us to compete with bigger firms that provide more financial benefits.*

EVENTS ORGANISATION, LONDON

“ *It helps with team morale if we're not strict and regimental 9-5.*

ELECTRICAL MAINTENANCE COMPANY, YORKSHIRE

“ *Flex is massively important to getting a diverse workforce and it makes it a better place to work.*

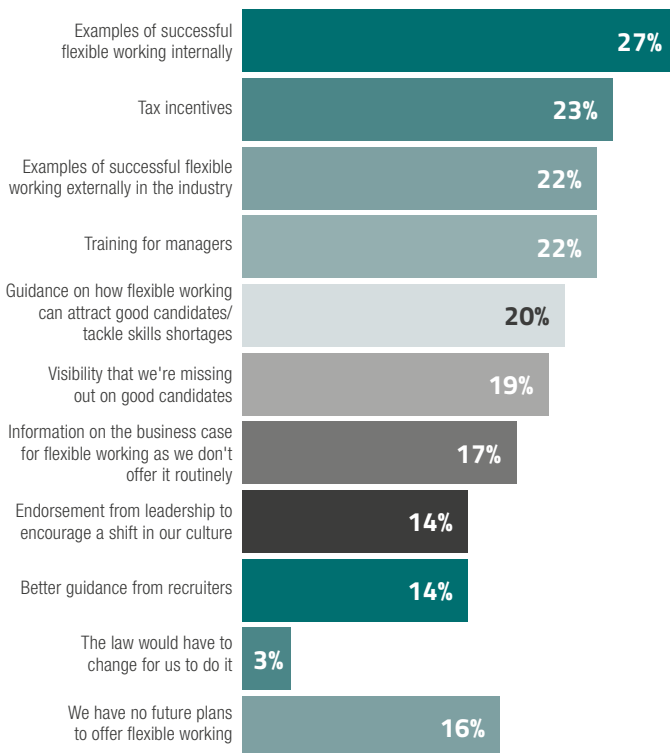
DOMESTIC GOODS SUPPLIER, MIDLANDS

WHAT CAN BE DONE TO ENCOURAGE EMPLOYERS TO OFFER FLEXIBLE WORKING AT THE POINT OF HIRE?

Management interventions are clearly needed, as many employers still see the viability of flexible working as being dependent on the role or the candidate. Training could help managers to understand how flex-seeking candidates apply for jobs, and how to adjust recruitment practices to attract them. Support with job design could help to overcome perceived operational barriers, by exploring which types of flexible working are compatible with which types of role. And lack of trust can be tackled through training on how to manage workers based on their output rather than their presence or visibility.

Figure 13 shows the participating employers' own views on what might influence them to change their practice.

FIGURE 13: "WHICH OF THE FOLLOWING WOULD ENCOURAGE YOUR BUSINESS TO OFFER FLEXIBLE WORKING FROM DAY ONE CONSISTENTLY?"



Source: Savanta survey of business decision makers (2022)

Key potential drivers for change included seeing examples of successful flexible hiring both internally and externally. Employers in the follow-up interviews explained that this would help to shift behaviour by countering a culture of 'yes, but it won't work here'. Guidance and training for managers was also felt to be potentially beneficial, as

was evidence of the business case. Additionally, nearly a quarter of participants said that tax incentives would encourage them to change; in the follow-up interviews, SMEs were particularly focussed on the need for financial support in one form or another.

However, change will not come easily for those employers who remain strongly resistant to flexibility. The qualitative interviews revealed a lack of management capability to explore flexible job design and a lack of capacity for training, especially in businesses with high staff churn and low profit margins, which are often in frontline sectors.

Only 3 percent of employers said it would take a change in the law to force them to hire people flexibly, but the pace of change in business culture is so slow that legislation may prove the best way to achieve rapid progress. We will therefore be disappointed if the government's consultation on the 'right to ask for flexible working from day one' needs to be delayed in light of the cost of living crisis. In particular, in our view, it would help prevent problems during the interview and hiring stages if employers had a duty to consider in advance whether a role can be flexible, and to say so in the job advert. That way, candidates could apply with confidence for jobs, and avoid situations where they exercised their 'right to request', only to have it rejected.

“Financial incentives could absolutely help encourage us to dip our toe in the water and run a trial or a pilot, as it would mean not too much would be at stake.

ACCOMMODATION BUSINESS, MIDLANDS

“I want to know that actually offering this is going to have some significant tangible benefits. I want to be able to see that it has a return on investment.

ACCOMMODATION BUSINESS, MIDLANDS

“Change needs to come from the top. HR can only do so much to sell it but it won't happen unless the leaders believe in it.

TECHNOLOGY BUSINESS, LONDON

“If another site did it and it was a success we'd do it the next day.

LOGISTICS COMPANY, MULTIPLE SITES

“Every sector wants to see examples from their own industry especially from organisations of a similar size, and that's what's relevant to you.

FINANCIAL SERVICES BUSINESS, LONDON

CONCLUSIONS AND IMPLICATIONS

HOW DOES THE FLEXIBLE JOBS MARKET TRAP PEOPLE IN POVERTY?

The demand for flexible jobs far outstrips supply. Only 30 percent of job adverts offer any kind of flexible working, while studies have placed demand at up to 87 percent.

Moreover, increases in flexible hiring over the last decade have mainly been related to hybrid patterns at higher salary levels. The dial has barely moved at all on part-time work, which is still mainly offered at pay levels below £20,000 FTE.

The lack of part-time jobs at higher salaries traps many people in low pay jobs. Those who have no choice but to work part-time are often forced to take jobs below their skill level, or to opt out of work altogether. The result is a 'part-time pay differential' – at every qualification level, part-time employees are, on average, paid significantly less per hour than their full-time counterparts. 61 percent of part-time employees are in jobs paid less than £20,000 per year, compared to only 32 percent of full-time workers.

For this analysis, we have spotlighted certain priority groups who we know particularly need to work part-time – parents, older workers and disabled people. We estimated the pay threshold needed by these groups, for them to attain a minimum acceptable standard of living, as being £11.17 per hour (equating to an annual salary of £20,329).

There are 521,000 people in these groups who have the qualifications to earn above the pay threshold, want to work part-time, but are either workless or working at a lower pay level. Of these 122,000 people are workless.

All else staying constant, poverty rates would fall significantly if workless people seeking part-time work had access to more quality part-time jobs. For workless single parents, the poverty rate could potentially fall from 70 percent to 10 percent; for coupled parents, from 70 percent to 45 percent; for households with a disabled person from 57 percent to 7 percent; and for older people from 56 percent to 13 percent.

The poverty rates also fall for households in poverty where one person works in a part-time job below the pay threshold, when that person moves to a quality part-time job. In these cases, the before and after poverty rates change from being in the range 25-54 percent to 7-28 percent. This has significant implications for considering how to tackle in-work poverty for those groups who are limited on the hours they can work.

What are the barriers to a better flexible jobs market?

Employer resistance is the only barrier to increasing the proportion of jobs that offer flexible working at the point of hire.

At the moment, 1 in 5 employers say they consistently offer flexible working in their job adverts, but around 2 in 5 give specific reasons for being resistant to it. The greatest scope for improvement is with the middle ground of employers, many of whom seem to be open to flexible recruitment, but are slow adopters.

The main concern is a 'trust thing'. Almost half (46 percent) of all the surveyed employers feel they need to get to know their new employee before they are willing to offer flexibility – with many wanting to wait for the full six month statutory period, or at least until the probation period is completed. This sounds reasonable on paper, but it is a prohibitive factor for people who cannot work at all if they cannot work flexibly – it traps them in worklessness, or in the low-paid part-time job they have managed to get.

Other concerns included operational constraints, and overcoming these will require firms to invest in training managers in flexible job design. Leadership buy-in may be needed first, as many of these employers may not see the business case for flexible working.

The greatest barriers surround part-time working, for which (out of all the different forms of flexibility) there is the greatest need amongst parents, older workers and disabled people. Job design support is particularly essential to facilitate part-time work, and a financial business case is also most needed here.

Why should businesses take the trouble to change?

Employers are missing out on a huge pool of diverse talent and skills by not considering part-time work during the recruitment process. They will be unable to attract good people who have a part-time job currently, unless they offer a similar working pattern. Additionally, our analysis shows that a total of half a million workless people in the UK are seeking a part-time job. And findings from recent surveys conducted post-pandemic, linked to hybrid working and the four day week, suggest that many full-time workers would also be tempted to job switch to a part-time role.

Employers are also failing to maximise the skills of their existing part-time workforce, many of whom are highly likely to be over-qualified for their jobs. If they enabled more opportunities for people to take their part-time arrangement into more senior jobs, they would make better use of people's skills and potentially drive up performance.

More broadly, increasing flexible working supports inclusion and equality. The groups who benefit most from flexibility are among those who are disadvantaged in the workplace – the gender pay gap is just one example of a problem that has its roots in a lack of opportunity for part-time workers.

And employers who want to help support people through the cost of living crisis would do well to consider opening up to greater flexibility. Unlocking more quality jobs to flexibility, especially part-time, could help people who are currently prevented by the lack of flexible job opportunities to access better work and raise their living standards.

What is needed, to catalyse change?

There is a strong economic and social case for action, and many employers are open to change. They just need more practical help to get there.

Employers tell us their managers lack training. They need more examples of how to make flexible working work well, better evidence of a financial return on investment, and general guidance and support that is relevant to their sector. Tax incentives or subsidised help would also make a difference, for SMEs in particular.

For quality, well-placed interventions, the potential returns are significant.

RECOMMENDATIONS

Employers are facing multiple challenges during this difficult economic period, but nevertheless cannot afford to ignore flexible working, especially in the context of tackling skills shortages.

A focus on hybrid working has developed, accompanied by a tendency to neglect other forms of flexibility, especially part-time work. The business case is also less established in frontline sectors where margins are tight and taking action is not always seen as a priority. Furthermore, many employers also cite a lack of practical guidance to incentivise and support action.

Flexible working pilots conducted by Timewise have shown that those businesses which invest in a strategic and committed approach, including those in frontline industries, reap the benefits²⁶. The following recommendations for employers are based on the learnings from these pilots and on our wider experience of 'what works'.

RECOMMENDATIONS FOR EMPLOYERS

Strategic organisational development

- **Undertake analysis** to determine if there are career progression blocks in your business, due to lack of a fluid approach to part-time working and other forms of flexibility such as remote work or flexible hours. Are there any people in your business who are working part-time in jobs below their skill level? Are there any problematic demographic trends, reflected in unequal pay levels and promotion prospects? Take action to ensure hourly pay parity, regardless of whether someone works part-time or full-time.
- **Conduct an internal review of attitudes to part-time work** among managers and recruiters, and then take steps to address any prejudice, gendered assumptions or particular pockets of negativity.
- **Build your internal business case** for action on flexible hiring, to include reviewing attrition rates and leaver data, looking for any links to a lack of part-time or flexible working. For part-time work, you will need

to consider a different cost-benefit profile to take into account the costs of redesigning working practices (for example, handover time and team communication with part-time workers), offset against the benefits in terms of increased attraction and retention.

Internal and external communications

- **Identify internal role models** of people who work part-time in managerial roles, and showcase them internally and externally as part of your employer brand proposition. Highlight the available career paths and celebrate the factors that enabled these roles to be done part-time – for example, what changed about the role/team/responsibilities?

Training and guidance for managers

- **Shift the company mindset** from 'why should we?' to 'how can we?' and provide hiring managers with guidance and training in flexible job design for a range of roles and types of flexibility including part-time. They need to feel confident about which types of flexible working are compatible with different roles.
- **Explore part-time working for any shift based roles** and also test how to give more advance notice and greater input into schedules.

Recruitment

- **Initiate proactive conversations** during the recruitment process. Many people will be nervous to ask for flexibility – don't just assume they will.
- **Test adding a statement offering flexible working** to your job adverts, to see if it helps attract a wider and more diverse candidate pool. When doing this, consider opportunities for part-time work and make these clear alongside other forms of flexibility such as hybrid working and flexibility over working times.
- **Pilot flexible hiring** in one department or in one type of role, to test the water and give other departments the confidence to follow suit.

- **Examine onboarding, training and induction** processes, adapting them so they are suitable for part-time workers. A full-time training or induction period is likely to deter applications from people seeking part-time work.
- **Monitor the effect** of offering flexibility from the point of hire, doing so alongside diversity monitoring, throughout the recruitment and onboarding process. It's crucial to know if flexible hiring opens access to diverse groups.

RECOMMENDATIONS FOR INTERMEDIARIES

There is a need for systems-led solutions if we are to drive change at scale. This will require action from labour market intermediaries (for example, recruitment agencies, welfare to work providers, trade and industry bodies and local authorities). Intermediaries can help by championing good flexible and part-time work, with the aim of tackling skills shortages and alleviating the cost of living crisis for groups who are excluded from an inflexible jobs market. The Change Agent Programme run by Timewise for the Scottish Government sets an example of the emerging impact we see from this approach²⁷.

- **Combined authorities and local enterprise partnerships** to align action on flexible hiring with the delivery of regional inclusive growth strategies. Flexible hiring should feature when incentivising adherence to 'good work standards' and when influencing procurement chains to encourage increased flexible working.
- **Local authorities** to identify and train flexible working champions as part of their inclusive growth strategies, to work within business and anchor networks, raising awareness of the benefits that can come from unlocking quality jobs to flexible working.
- **Trade and industry bodies** to call on their members to take action on flexible working, in order to tackle key workforce challenges; also to support their members by signposting guidance and resources, and encouraging them to share good practice. See examples of this from Build UK²⁸, British Retail Consortium²⁹ and NHSE³⁰.

- **Recruiters** to champion flexible hiring to employer clients wherever possible, building on the changes driven by hybrid working; also to provide guidance (via organisations like Timewise) on how to adapt recruitment processes. This is especially important for mid-range roles and foundational economy industries, where there is resistance and candidates have less leverage to ask.
- **Restart providers** to advocate for flexible and inclusive hiring as part of their employer engagement activities, providing deeper and better coordinated, co-designed 'how to' support across recruitment and people management, as is currently being trialled between Timewise and IES³¹. They should also lead by example as employers.
- **Living Wage Foundation** to scope opportunities for its Living Hours campaign to provide deeper support to employers facing barriers to flexible hiring, with a focus on part-time workers.

RECOMMENDATIONS FOR GOVERNMENT

Whilst employers can take action to stimulate better quality part-time jobs, there is also a need for government intervention. Progress was being made on this front, in particular towards legislating for the right to request flexibility from day one in a job. However, we have concerns that with repeated changes of leadership and associated reshuffles there is a risk of deregulation within business policy, or at least significant delays to the proposed legislation.

Government action on the recommendations below would provide much needed support to intermediaries and employers, and in doing so could help tackle the issue of increased numbers of economically inactive people – many of whom are older workers who have left their jobs during the pandemic, with a high proportion also citing ill health³². These people could potentially be tempted to return to work if flexibility were more widely available.

Increased flexible hiring could also contribute to cross-cutting policy agendas from tackling the cost of living crisis, to driving inclusive growth, to the government's wider goals for a future of work that provides decent and sustainable opportunities for all. If it is left for the market to solve the job market problems, it will take too long.

FOR THE UK GOVERNMENT

- **Bring forward the employment bill** to include Flexible Working by Default from day one, with an additional duty on employers to consider flexibility and state it where possible on job adverts.
- **In the meantime introduce a requirement**, through the Cabinet Office, for all organisations receiving public funds to commit to considering flexible working from day one for any roles created as a result of those funds.
- **Make affordable childcare a priority.** The demand for reduced hours may well be increasing in line with the cost of living crisis, because of the high cost of childcare. Additionally, poor access to elder care is causing women in particular to need reduced hours or to fall out of the labour market entirely³³.
- **Commission wider analysis to highlight** the financial return of investing in flexible hiring, especially for frontline industries and SMEs, to challenge concerns of increased burden and cost. This could be done through the Flexible Working Taskforce.
- **Introduce a flexible job design training** module through BEIS working together with industry intermediaries and the Small Business Charter Network, to support SMEs to build their capabilities. This could be funded through current initiatives such as Help to Grow, or as part of future growth funds.
- **Fund flexible hiring pilots** within DWP's current in-work progression trials and through its 50Plus initiatives for older workers. And subsequently provide resources for employability intermediaries to support jobseekers on how to negotiate flexible working at the point of hire.
- **Convene employers to undertake flexible hiring trials** at a sector level, through the Women's Business Council within GEO. These should have a focus on part-time work, to support its priority of targeting sectors with the most significant gender pay gaps.

FOR DEVOLVED GOVERNMENT

All devolved governments to change the right to request flexible working to a day one right, through devolved employment legislation.

The Scottish Government to move forward on its commitment to trial a four day week, but widen its scope to include investment in workplace pilots to facilitate better quality part-time working.

The Scottish Government also to deliver on its new requirement (within its Fair Work Criteria) for organisations receiving public funds to offer 'flexible work from day one', and in doing so to include specific guidance on how to design part-time jobs.

The Welsh Government and Northern Irish Assembly to undertake research to determine the current level of quality flexible and part-time job vacancies in Wales and Northern Ireland, and scope actions to encourage employers to improve flexible job design. For example, this might include innovation or challenge funds to encourage workplace trials, and investment in management training for employers.

APPENDICES

APPENDIX A: METHODOLOGY

The analysis for this report was undertaken in multiple stages, using several different data sources:

Supply and demand of flexible jobs

Statistics on the poor supply of flexible jobs were sourced from the Timewise Flexible Jobs Index, 2022³⁴, which searched over 6 million UK job adverts to identify those offering flexible working. This highlighted a particular problem with the supply of part-time jobs, resulting in problems for part-time workers at low pay levels.

Part-time is also a form of flexible working for which demand can be tracked in the Labour Force Survey (LFS). We therefore went on to explore overall demand for part-time work using the LFS, and then analysed demand from three specific groups which are known to be disadvantaged by the lack of it – parents, older workers and disabled people. The four Quarterly LFS datasets spanning the 2020/21 financial year were pooled together to increase the sample size, with results representing an average across the year.

Establishing some numbers that underlie the problem of low-paid part-time work

We used the same dataset from LFS to look at the hourly pay differential of those in part-time work, compared to full-time workers with the same qualifications, to see the extent to which part-time workers are disadvantaged.

Then, in order to help quantify the cohort of people in our priority groups who could potentially be lifted out of poverty by getting a quality part-time job, we used the 2021 Minimum Income Standard research (MIS) from JRF to establish the pay needed by these groups.

Next, we used LFS again, to ascertain the level of qualifications a person needs to have in order to attain a quality job above that pay threshold.

Quantifying underemployment amongst people who need to work part-time

This stage of the research worked through several steps:

- Taking a second look at demand, drilling down to assess how many of the people in our groups who want to work part-time are also living in poverty.
- How many of these have the qualifications needed to get a part-time job at a pay level that could lift their household out of poverty.
- How many would come off benefits as a result of getting a quality part-time job.
- What the potential savings are per person, in benefit outlay by the exchequer.
- For the above analysis we used the following datasets:
 - › LFS to facilitate an analysis of the numbers of those searching for part-time work who are qualified at the level needed to earn above the quality job threshold.
 - › The Family Resources Survey (FRS) was used for the poverty analysis, as it is the most comprehensive source of data on the financial position of households in the UK.
 - › The households below average income (HBAI) statistics were used to define the poverty threshold in the poverty analysis.
 - › The Entitledto benefits calculator was used to perform the benefit scenario analysis (see Appendix F).

Employer resistance to flexible hiring from day one

Finally, we sought to identify and understand the underlying reasons for employer resistance to offering flexible working in their job adverts; and also whether any interventions could persuade them to change their practice.

We commissioned two strands of primary research:

- A survey by Savanta involving 1000 senior decision makers from a mix of SMEs and large firms, and across a range of sectors including IT, retail, wholesale, manufacturing, business & finance, education, health, transport, arts & entertainment and not-for-profit. All regions across the UK were represented. The survey's prompt questions for reasons for resistance to flexibility were based on insights from Timewise employer clients and partners, and from wider industry experts such as the Recruitment Employment Confederation.
- 20 follow-up qualitative interviews, by Savanta and Collaborative Research. The interviewees were drawn from the survey cohort and represented a range of sectors, business sizes and regions.

APPENDIX B: DEFINING THE POPULATIONS OF THE PRIORITY GROUPS, IN THE LFS AND FRS

Given the differences in the variables between the LFS and the FRS, our priority groups are defined differently between the two surveys.

In defining the population of our priority groups in the LFS, we remove children (designated children of the household and under 16s), full-time students, those with work-limiting disabilities, parents with children under the age of 1, carers (based on whether claiming Carer's Allowance), retirees (based on the reason 'not looking for work in last 4 weeks'), and then individuals who do not fall into one of these priority groups: parents (single and coupled), older people (over 50) and the disabled (according to the Disability Discrimination Act definition).

In defining the population of the groups in the FRS, we remove children (children of the benefit unit and under 16s), full-time students, those prevented from working due to disability, parents with children under the age of 1, carers (based on whether claiming Carer's Allowance), retirees (based on employment status according to the ILO definition), and then individuals who do not fall into one of the priority groups: parents (single and coupled), older people (over 50), disabled (according to the Equality Act 2010 core definition).

It should be noted that whilst we explicitly remove, for instance, children and retirees from the populations of our priority groups, they are naturally implicitly removed from the analysis in other areas, for instance when deriving the threshold to define a quality part-time job.

APPENDIX C: ESTIMATING THE THRESHOLD TO DEFINE A QUALITY PART-TIME JOB

The Minimum Income Standard (MIS) calculates the target rate of pay that people need to earn in order to achieve a minimum acceptable standard of living. The calculations vary by family type, to reflect their different needs and costs. Full family budgets since 2008 behind the MIS reporting (Davis et al., 2021) are available at: <https://www.lboro.ac.uk/research/crsp/minimum-income-standard/household-budgets/>.

Table 7 shows these weekly budgets for 2021, with the annual and hourly wage requirements calculated by the Institute for Employment Studies (assuming 35 hours worked per week).

The figures were then used to generate a weighted average based on the size of each group's population in the LFS. Single parents with more than 3 children and coupled parents with more than 4 children were assumed to require the threshold of those with 3 and 4 children respectively. For disabled people, a 25 percent increase was added to the target pay for the non-disabled individual family type to which they corresponded, to account for the unrecompensed living costs faced by people with disabilities (the 25 percent figure was derived by Hill et al. (2015) in relation to the experiences of the visually impaired)³⁵. The target pay of older individuals is taken from the single (65+) and couple (65+) figures, unless they are a parent or disabled.

TABLE 7: WEEKLY BUDGETS, 2021

Budget (weekly family total unless specified, £)	Single (<65)	Couple (<65)	Single (65+)	Couple (65+)	Single parent 1 child	Single parent 2 children	Single parent 3 children	Coupled parent 1 child	Coupled parent 2 children	Coupled parent 3 children	Coupled parent 4 children
Total excl. rent, childcare, Council Tax	213	356	191	298	308	389	498	403	482	616	676
Council Tax	17	23	17	23	22	22	22	29	29	29	29
Total excl. rent and childcare	230	379	208	321	330	411	520	433	511	645	705
Childcare	0	0	0	0	262	225	225	262	225	225	487
Rent	95	107	79	87	87	93	93	87	93	93	93
MIS	325	486	287	408	679	729	839	781	830	964	1286
MIS (annual per adult)	16914	12629	14933	10600	35318	37915	43612	20318	21575	25054	33435
MIS (hourly per adult)	9.29	6.94	8.20	5.83	19.41	20.83	23.96	11.17	11.86	13.77	18.37

APPENDIX D: DEMAND FOR PART-TIME WORK AMONGST THE PRIORITY GROUPS

TABLE 8: TOTAL DEMAND FOR PART-TIME WORK

Work status	Size of group	Prop of PLF
Not currently in work and seeking part-time employment	521,000	1.5%
Working part-time and not seeking full-time employment	7,745,000	22.7%
Working full-time but seeking part-time employment	100,000	0.3%
Total demand for part-time employment	8,366,000	24.5%
Total potential labour force (PLF)	34,184,000	100.0%

TABLE 9: DEMAND FOR PART-TIME WORK BY ETHNICITY

Work status	White	Prop of PLF	Ethnic minority	Proportion of PLF
Not currently in work and seeking part-time employment	389,000	1.3%	133,000	2.9%
Working part-time and not seeking full-time employment	6,824,000	23.0%	920,000	20.2%
Working full-time but seeking part-time employment	79,000	0.3%	21,000	0.5%
Total demand for part-time employment	7,292,000	24.6%	1,074,000	23.6%
Total potential labour force (PLF)	29,638,000	100.0%	4,546,000	100.0%

TABLE 10: DEMAND FOR PART-TIME WORK BY FAMILY TYPE

Work status	Coupled parent	Proportion of PLF	Single parent	Proportion of PLF	Non-parent	Proportion of PLF
Not currently in work and want to work part-time	69,000	0.8%	49,000	2.7%	83,000	0.5%
Working part-time and not looking for a full-time job	2,022,000	22.5%	629,000	35.0%	2,930,000	16.6%
Working full-time but looking for a part-time job	18,000	0.2%	8,000	0.4%	54,000	0.3%
Total demand for part-time employment	2,110,000	23.5%	687,000	38.2%	3,067,000	17.4%
Total potential labour force (PLF)	8,978,000	100.0%	1,798,000	100.0%	17,623,000	100.0%

TABLE 11: DEMAND FOR PART-TIME WORK BY DISABILITY STATUS

Work status	Disabled	Proportion of PLF	Not disabled	Proportion of PLF
Not currently in work and want to work part-time	19,000	1.0%	183,000	0.7%
Working part-time and not looking for a full-time job	498,000	25.3%	5,084,000	19.2%
Working full-time but looking for a part-time job	7,000	0.4%	73,000	0.3%
Total demand for part-time employment	524,000	26.6%	5,339,000	20.2%
Total potential labour force (PLF)	1,967,000	100.0%	26,433,000	100.0%

TABLE 12: DEMAND FOR PART-TIME WORK BY WHETHER OLDER PERSON

Work status	Older person	Proportion of PLF	Not older person	Proportion of PLF
Not currently in work and want to work part-time	60,000	0.7%	141,000	0.7%
Working part-time and not looking for a full-time job	2,552,000	27.6%	3,029,000	15.8%
Working full-time but looking for a part-time job	21,000	0.2%	59,000	0.3%
Total demand for part-time employment	2,633,000	28.4%	3,230,000	16.9%
Total potential labour force (PLF)	9,257,000	100.0%	19,142,000	100.0%

APPENDIX E: THE DIFFERENCES BETWEEN DATA SOURCED FROM FRS AND HBAI, AND THAT SOURCED FROM LFS AND MIS

To examine poverty rates among the priority groups and to measure the effect of getting a part-time job, simulated as an increase in household income, we used the combined Family Resources Survey (FRS) and the Households Below Average Income (HBAI). A marginal deduction rate of tax, and benefit reductions of 70 percent, are assumed for the quality part-time job³⁶.

These datasets are created in different ways from the LFS and MIS, used in other sections of the report. The differences mean that the numbers involved in the poverty rate analysis will be overstated. However, FRS and HBAI provide the best way to determine the impact of a quality part-time job on household finances for different household arrangements. Essentially the figures represent a ‘best-case scenario’, where everyone who is qualified for a quality part-time job obtains one.

Explanation of the differences between the data sets:

- FRS and HBAI are created based on household-level data, rather than the individual-level data from LFS and MIS. For example, LFS and MIS define an individual as belonging to a minoritised ethnic group based on their own response to the ethnicity question. FRS and HBAI define a household as an ‘ethnic minority household’ if at least one member of the household is in a minoritised ethnic group. Similarly, a household is defined as disabled if at least one member of the household has a disability.
- The FRS does not ask whether the respondent is looking for a part-time job, so the analysis includes people who may or may not be looking for one. Although some sub-groups were removed if they were deemed unlikely to want a part-time job (for example those with work-limiting disabilities), this means the results overstate the potential for a part-time job to reduce poverty.
- There are several distinctions in the way the priority groups are defined due to differences in the survey questions.
- The 2020/2021 FRS data was affected by lower sample sizes caused by the onset of COVID-19.

APPENDIX F: DETAILS OF BENEFIT CLAIMS ANALYSIS

The Entitledto benefits calculator (available at: <https://www.entitledto.co.uk/>) was used to simulate the impact of gaining a quality part-time job. This calculator requires various inputs (such as age, amount of savings, size of mortgage etc). Instead of picking an arbitrary value for each of these inputs, the FRS was used to generate median and modal values for each of the priority groups. These values were then input into the calculator for 24 different scenarios involving our groups' and their partners' (if applicable) employment status. Then the calculator was run again, but under the assumption that an individual in each household now has a quality part-time job.

The figures for the calculator inputs were derived from the median values or modal response (unless stated otherwise) in the FRS. In the baseline case, an individual and their partner were assumed to be either unemployed or employed on £8.75 per hour (the mean wage of the population of our priority groups – the 25 and over minimum wage for 2020/21 was £8.72) for 20.5 hours per week (the median hours worked by part-time workers). In the baseline scenario, this meant that individuals had gross earnings before tax and NI of either £0 per week if unemployed or £777 per week if employed, which would then increase to £992 per week once they received a quality part-time job.

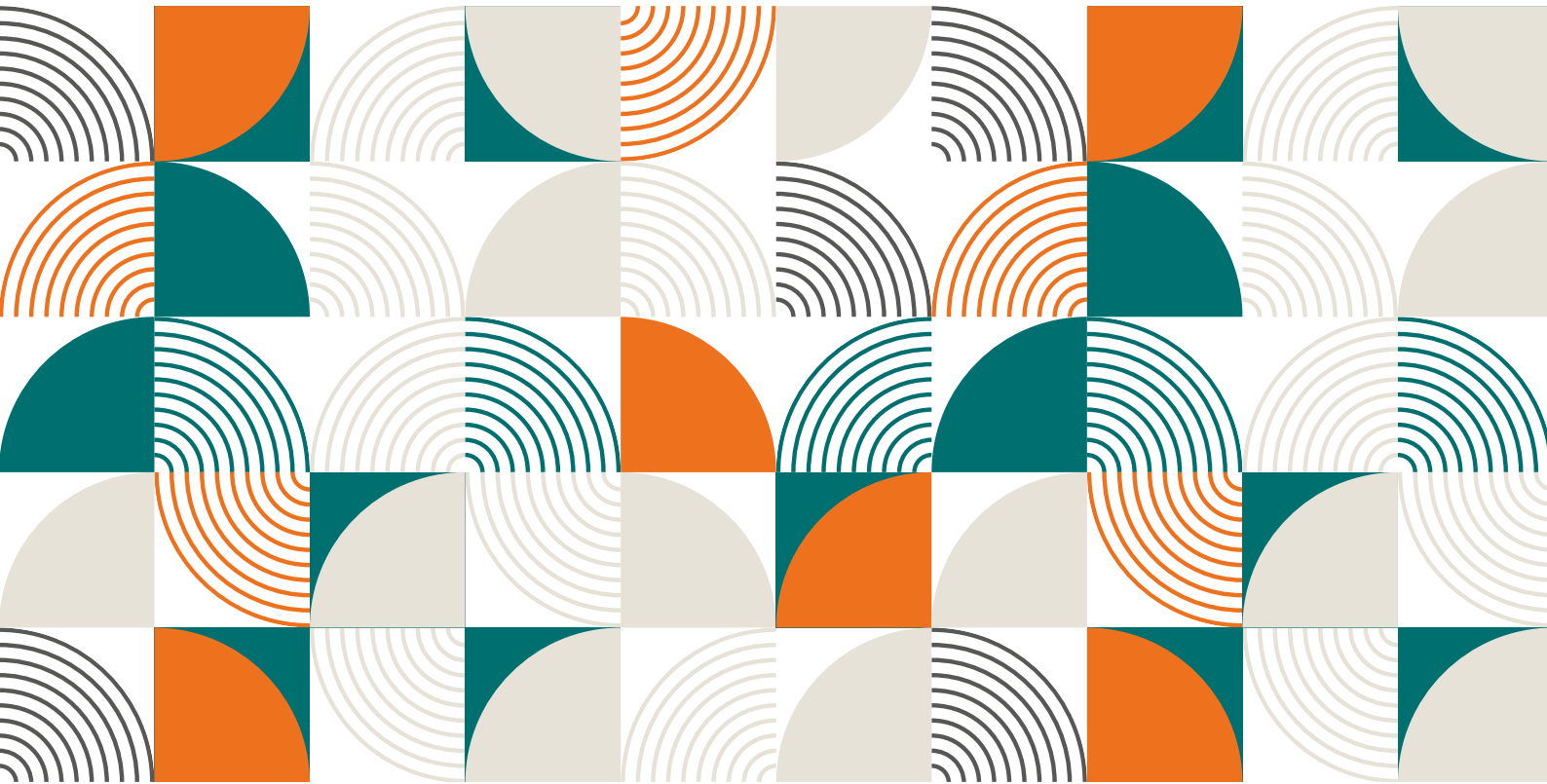
Other assumptions made in performing the analysis include:

- Ages were assumed as follows for each of the groups: 37 for single parents; 41 for coupled parents; 59 for older people; 52 for disabled people.
- Parents were assumed to have two children: a 3-year-old and a 7-year-old of different sexes.
- Disabled people were assumed to be in receipt of the Personal Independence Payment daily living standard rate (£60 per week) and the Personal Independence Payment mobility standard rate (£23.70 per week).
- Older people were assumed to have savings or capital of £6,350 (more than the lower capital limit of £6,000), based on analysis of the median amount of savings of each of the groups. The other groups had savings or capital below the limit.
- Individuals in the groups were assumed to have mortgages of the following sizes: £62,000 for single parents; £115,000 for coupled parents; £50,000 for older people; £65,000 for disabled people.
- Single parents and older and disabled people without a partner were assumed to be eligible for a 25 percent council tax reduction, whilst all others were not eligible for a discount.
- All individuals were assumed to not be making pension contributions and to not be in receipt of income from non-state pensions, child maintenance payments or other sources not already mentioned.

The outputs from the calculator are for the 2021/22 financial year, as the calculator does not produce figures for the 2020/21 financial year.

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