



On-call work and “zero hours” contracts

What is on-call work?

Casual workers are individuals who are called in to work only as and when they are needed. The activity of these workers is therefore closely dependent on the level of, and fluctuation in, the workload, and they can work for only a few days or for as long as several weeks in a row. The employment

contracts of casual workers can stipulate their minimum and maximum hours of work and indicate the notice period that has to be respected for requiring that they work. In contrast, under “zero hours” contracts, workers are not entitled to any minimum number of hours of work.

How is on-call work constrained?

Generally, employers have to inform their workers of changes in the distribution of their working times in advance. The statutory notice period commonly ranges between one week and one month. It can be invalidated when regulations regarding casual work are embedded in a flexible working-

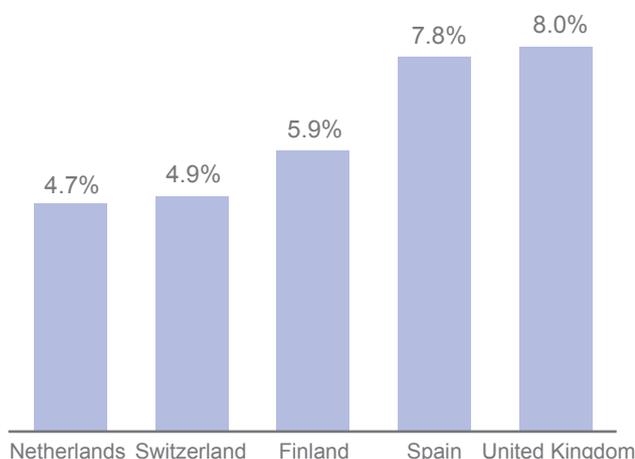
time scheme introduced by collective agreement. In most countries, employers have to inform a state monitoring agency before making use of casual work. The employer must maintain a record of hours worked, in which the casual workers’ working hours are registered.

How widespread is on-call work?

According to preliminary data from the EU Labour Force Survey in 2001, 7 per cent of the employed people interviewed in four EU countries and

Switzerland worked on a casual basis. The percentages of casual workers in the countries under examination are presented in the chart below.

Share of employees working on-call (2001)



Source: Eurostat: *Work organization: A dimension of job quality*, data from the Ad-hoc Module of the 2001 Labour Force Survey in the EU (Brussels, 2002).

Advantages and disadvantages

The potential advantages and disadvantages of casual work are summarized below.

Advantages for employers

- Seasonal needs: Flexible means for an optimal matching of workload fluctuation with number of hours of work.
- Providing assistance during peak-time hours of the day or week, or at times of unexpected increase in business.
- Filling in for an absent regular employee who is sick, on vacation, or on family-related leave.
- Filling vacancies until a post is filled.

Disadvantages for employers

- Limited integration of workers in the firms' philosophy.
- High turnover.
- Lesser work quality.
- Unmotivated staff.

Advantages for employees

- Variable, short working hours can be advantageous, especially for students.
- Record-keeping and administrative difficulties.
- Access to the labour market.

Disadvantages for employees

- Little job security.
- No predictable and regular working hours. In extreme cases workers do not work at all for long periods.
- Low wages and high income insecurity.
- No key benefits, e.g. pensions and health insurance.
- Work dissatisfaction.

Short-term solutions might generate long-term problems. For this reason, it is recommended to ensure minimum terms and conditions of work for casual workers. The following measures can be taken:

- fixing a minimum number of hours of work per day and week;
- fixing minimum earnings;
- workers should be entitled to decide together with management the distribution of their working hours;
- working hours should be notified in advance within a fixed time-limit;
- casual workers should also be entitled to work more if needed and if the economic situation of the firm enables it.

Case example: The quality of on-call work in the United States

According to the Current Population Survey (CPS) of 1997, 'on-call' workers account for 1.6 per cent of total employment in the United States. The establishment survey undertaken by the W.E. Upjohn Institute in 1996 indicated that 27.3 per cent of establishments were using on-call workers, and the incidence was particularly high in large establishments and in the service sector. The most frequently quoted reasons for the use of on-call workers were unexpected and temporary needs for staffing: "fill in for absent regular employee who is sick, on vacation, or family medical leave" (69.3 per cent); "provide needed assistance at times of unexpected increases in business" (50.7 per cent). Such a temporary nature of staffing appears to be associated with a lower quality of on-call employment: for example, only 15.3 per cent of on-call workers received paid vacation and holidays, compared with 53.7 per cent of part-time workers. In addition, on-call workers were far less likely to enjoy company-provided benefits, such as health insurance and pensions. In the CPS results, over half of the on-call workers stated that they would have preferred regular jobs, suggesting that there was a considerable mismatch between employer and employee preferences for these types of working time arrangements.

Source: S. Houseman: "Why employers use flexible staffing arrangements: Evidence from an establishment survey", in *Industrial and Labor Relations Review*, Vol. 55, No. 1, 2001, pp. 149-170.



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