

Flexible Work

– Approaching the Age of Flexibility in Good Health

The world of work is becoming increasingly flexible and private lives increasingly varied. The keyword “flexibilisation” covers very different aspects of new forms of lifestyle and work. For example, we speak nowadays of flexible labour markets, flexible companies and flexible workers all in one breath.

What does flexibilisation mean?

Expressed in general terms flexibilisation embraces the different tools and processes with which the supply and demand of workers can be better co-ordinated, with the use of the term “better co-ordinated” being dependent on the respective objectives being pursued. Taking the three aspects mentioned previously – labour market, companies and employees, labour market policy aims at improving the structure and qualification level of the labour market and keeping unemployment as low as possible; companies want to be economically successful and to this end pursue certain objectives in their human resources policy; and workers are interested in good and safe working conditions and want to reconcile working life and private life.

The most important regulating tools and approaches for flexibilisation are:

- ▶ The regulations and protection standards under social law with regard to occupational health, safeguarding income, pension security, job security and health care provision;
- ▶ The provisions of collective agreements and individual agreements on working time, contract term and status, income, work contents and tasks, further training and career possibilities;
- ▶ The company work organisation, in particular the organisation of work and tasks;
- ▶ The company human resources policy with regard to qualifications and a variety of types of employment contract;
- ▶ Individual training and professional development activities;
- ▶ latitude with regard to the reconcilability of work and private requirements.

Flexibilisation strategies are often differentiated in company practice by whether they have a quantitative or qualitative character and whether they are organised internally or externally. Quantitative or numerical flexibility uses working time flexibilisation, part-time employment and temporary agency work to permit the volume of workers to be adapted to fluctuations in demand. Qualitative or functional flexibility uses procedures of work organisation and qualifications to permit workers to be deployed for different tasks, job enrichment and job rotation being included here. External flexibilisation comprises temporary agency and seasonal work, outsourcing and subcontracting. Quantitative approaches can achieve improvements in productivity through cost benefits, but with qualitative approaches the emphasis is on improvements in efficiency.

External flexibilisation strategies are frequently assumed to be based on purely cost considerations because less would be invested in temporary agency, part-time and seasonal employees. In practice, however, there are, as a rule, combinations involving different flexibilisation elements.

EfH Guideline – Watchpoints

1

The different forms of flexibilisation in the world of work offer new opportunities but also risks for the health of workers and therefore also for the efficiency of the work processes and the long-term security of competitiveness. Company health management should therefore systematically control the health-related effects of flexibilisation strategies and regulate them with the customary routines. With this information not only can company solutions for the reconcilability of flexibility and social (health) security be found but at the same time they are the basis for safeguarding economic success.

2

From a health perspective, approaches involving functional flexibilisation, continuous qualification, work structures that promote learning, job rotation and job enrichment gain major importance. Work design, the variety of requirements, autonomy, complete tasks linked with opportunities for life-long learning promote employability, internal flexibility potential and the health of the workers.

3

Certain forms of employment, temporary agency work and the use of subcontractors frequently lead to work which is mainly "poor" and risky being relocated from the core workforce to these marginal workforces. This may lead to the accumulation of risks detrimental to health and, viewed overall, reduce employability. It is exactly these cases that need protective regulations, be it at company or supra-company level.

4

Moreover, workers can then better cope with rising flexibility expectations when work organisation and the culture experienced highlight and recognise the contribution of the employee to the company success.



“Functional flexibility seems to provide opportunities for sustainable employment. Companies that try to increase this type of flexibility are characterised by human resource management and production structures which are usually positively associated with sustainability. At the level of the employees, functional flexibility is positively related to working conditions, such as skill development, active jobs and involvement in decision-making and is also positively related to long-term skill retention.”

Dr. Anneke Goudswaard, TNO Work and Employment, The Netherlands

What is more relevant in practice is the time horizon of quantitative flexibilisation. Ad hoc flexibilisation – reacting at short notice to peak demand or absenteeism – uses overtime and temporary agency workers; long-term flexibilisation strategies are based on working time flexibilisation and flexible forms of contract (time-limited and part-time employment contracts, seasonal work etc).

From the workers’ point of view the crucial aspects are the form of the contract and working time regulations. Flexible forms of employment comprise time-limited and part-time employment contracts, work on-call and temporary agency contracts. Working time flexibilisation relates to the duration, location and distribution of working time.

Functional flexibility is closely connected to the production structure of a company and in practice demands group work as well as a company human resources policy. This places an emphasis on company training and working conditions.

Short-term, quantitative flexibilisation processes tend to be found more in tight labour markets, long-term ones more in the service sector and, in general in suppliers. The quantitative approaches still depend on the degree of technology and the age structure of the company.

What is the right medicine: Free play of the markets or state labour market policy?

Two diametrically opposed positions confront each other in both political and company practice. The liberal position sees the best engine for economic growth, employment and affluence in market mechanisms and competition. According to this thinking, high social standards threaten sustainable economic growth and promote high unemployment.

Advocates of a state-promoted active labour market policy on the other hand, consider the reconciliation of high standards of protection with greater flexibilisation to be an important issue (greater flexibilisation being based on the principle of “challenge and promote”). This is also highlighted in specific approaches to functional flexibilisation which have an emphasis on continuous training and life-long learning. This attitude is also represented at present in the European Union. The English coinage “flexicurity” – as a combination of flexibility and security – expresses the expectation of being able to reconcile flexibilisation and social security.

Practicable elements of a flexicurity-oriented strategy already used comprise the creation of transitional labour markets, the greater dissemination of a working time policy that safeguards employment, the concept of life-long learning as well as basic security elements for the stage of life after employment.

Transitional labour markets are aimed at facilitating and socially securing the transition between employment and non-employment in order to better distribute the lack of work. The transitions comprise the building of bridges between part-time and full-time employment, between freelance and salaried employment, between unemployment and employment, between the education and employment systems as well as between gainful employment and pension. Working time accounts, sabbaticals, pools of workers outside the company and the use of outplacement services are the well-known approaches already being used in practice. And the promotion of time-limited employment contracts for certain groups of unemployed who are difficult to employ can also be included.

At present, the best known concepts of collective bargaining and in particular working time policy to safeguard jobs are those which are based on internal flexibilisation strategies. When demand fluctuates, it is not the number of workers that is changed but their working time. For this strategy the image of the “breathing factory” was created. Companies can avoid redundancy and recruitment costs incurred as a result and at the same time increase team productivity.

Functional flexibilisation requires life-long learning and an improvement in employability. For this greater investment – from the company and the individual worker’s view – is required in company training programmes and in particular in the creation of work cultures which promote learning.

Finally, flexible forms of employment can have a negative impact on pensions as the social security systems are closely linked to continuous full employment. Here, basic security tools can remedy the situation and lower the risk of new age poverty as a result of employment for many years in atypical employment conditions.

Atypical and precarious working conditions: Risks to health?

As part of flexibilisation, the number of so-called atypical employment contracts is rising although with very different development trends for the individual forms of employment. They are atypical because they differ in some key features from a normal employment contract (full-time activity, permanency of the employment contract and close link to the social security systems). Atypical forms of employment such as part-time work, time-limited employment, temporary agency work and bogus self-employment may become precarious if social security provision is inadequate during both the phase of gainful employment and subsequently.

According to European studies, temporary agency work and time-limited employment contracts appear to be linked to higher health risks. This applies in relation to greater physical work stresses and higher exposure to harmful environmental conditions such as noise or hazardous vapours. Workers with a limited contract and temporary agency workers also report more frequently about physical complaints than others. These are indications of possible negative consequences which may arise in the wake of flexibilisation processes.



The EfH brochure

Approaching the Age of Flexibility in Good Health

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