

Zero Hours Best Practice Guidance

Research from the CIPD (Zero-hours contracts: myth and reality, November 2013) states that workers on zero hours working arrangements are actually satisfied with the arrangements and are as motivated as those on permanent contracts.

This counters the bad press and parliamentary debate on the misuse of zero hours working practices and potential legislation in this area. The bad press is based upon employers using zero hours contracts where:

- Employees form part of the core workforce where is some predictability about required staffing levels
- Employees are penalised for refusing work, and are not subsequently offered work or desirable shifts
- Employers demand zero hours workers work exclusively for them and no other employers
- Employees are denied the benefits associated with full employment status

Whilst from an employer's perspective there is the benefit of not having to commit to a minimum number of contracted hours; there is the additional administrative burden of tracking hours for annual leave entitlement calculations and, where organisations have staged for auto enrolment; for pensions contributions.

Zero hours contracts certainly have their place to complement a core work force where a flexible solution is required. Our advice for employers to get the most effective use of this flexible resource is:

1. Establish an effective weekly tracking system of hours worked to ensure annual leave entitlement is accurately accrued
2. Use monitoring systems to review hours worked over a number of weeks. If the shifts or number of hours worked is consistent over a period of time, these could be argued to be contractual through custom and practice or you may proactively use this as a prompt to offer a permanent contract
3. If you do not want the risk of developing a permanent staff from what is intended to be a flexible pool, then vary shift patterns and the amount of work offered throughout the pool of workers. To act ethically ensure you have a sufficient core workforce on permanent contracts, offering such permanent opportunities to zero hours workers seeking permanent contracts in the first instance.
4. And finally, as with all things people management related, ensure line managers are adequately trained. In this case on appropriate use of zero hours contracts, how to track and monitor hours worked and procedures for offering and acceptance of work.

Employees need not get a raw deal through zero hours contracts. The vast majority of employers use them appropriately, and evidence shows us, that most zero hours workers are indeed satisfied with the arrangements.

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