



# **Examining emerging new employment forms and potential positive and negative effects on working and employment conditions**

**Irene Mandl**

*Head of Research Unit ‘Employment’, Eurofound*

*The following is the text of the speech delivered at a conference hosted by the Department of Employment Affairs and Social Protection on 9 November 2017, entitled ‘The Digital Economy, New Forms of Work and Challenges for Social Security Systems: Financing and Coverage’.*

## **Introduction**

In recent years a considerable amount of policy debate has been devoted to the new world of work, new forms of employment, the future of work and similar. However, it seems that different people are talking about different things. This holds particularly true at European level, taking into account different national institutional settings, labour market developments and traditions. With the aim of facilitating the respective discussions, Eurofound conducted a baseline mapping of the most recent labour market developments in the different member states of the EU to identify the emerging trends and their effects on the labour market and on the working conditions of the individual affected workers. This paper provides a brief overview

of some of the identified new employment forms, their potential impact and some policy pointers.<sup>1</sup>

New forms of employment can, on the one hand, deal with the formal relationship between an employer and a worker. On the other hand, new employment forms can be related to work organisation, the patterns of work. Here, the research is mainly focused on fragmented and intermittent types of work. New employment forms are also emerging related to self-employment. However, as discussing all developments related to self-employment would have gone beyond the scope of the study,<sup>2</sup> the research was limited to new forms of networking or cooperation among self-employed.

The study was particularly interested in developments that were related to an uncommon place of work and the use of modern information and communication technology (ICT). It focused on developments that have emerged since about 2000, and also on developments that existed before then but that have recently been of increasing importance, or have become more widespread. The research had a national perspective, which means that some forms identified in the report might not be new in some countries, while at the same time not all of them may exist in all member states.

Eurofound found nine major trends – nine new forms of employment – emerging in Europe:

- i. employee sharing;
- ii. job sharing;
- iii. ICT-based mobile work;
- iv. interim management;
- v. casual work;
- vi. voucher-based work;
- vii. crowd employment;
- viii. portfolio work;
- ix. collaborative employment.

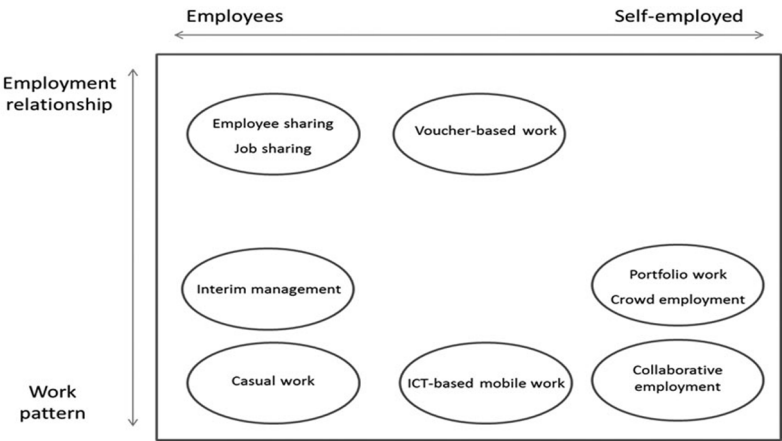
Some of these forms are more related to dependent employees, while some are more related to self-employment. Similarly, some are more connected to employment relationships while some are more connected to work patterns. It needs to be mentioned that while these nine employment forms have distinctive characteristics differentiating

<sup>1</sup> See Eurofound (2015) for full report, and Eurofound (2016a) for the case studies on which the report is widely based.

<sup>2</sup> See Eurofound (2017) for a recent study exploring self-employment in Europe.

them from each other, they do not necessarily exclude each other. An individual employment relationship can fall into more than one of the above types (see Figure 1).

**Figure 1: New forms of employment overview**



Four of these nine new employment forms will now be discussed in more detail.

**Selected new employment forms**

*Crowd employment* refers to the matching of supply and demand for paid work through an online platform. In general, these platforms present themselves as intermediaries bringing clients and workers together. Hence, they generally do not consider themselves as employers. Similarly, the clients ordering a specific service generally consider themselves as customers rather than employers. This results in a situation in which the workers are widely perceived as self-employed or freelancers rather than employees, which has an impact on their employment conditions and social protection. While there is a considerable amount of political and legal discussion ongoing as regards the status of platforms, clients and workers, so far no overall conclusion has been drawn.

In general, crowd workers have much flexibility because they can choose the tasks for which they want to submit an offer, can choose what type of work they want to do and often have autonomy in terms

of their working time and work organisation. This might result in better work–life balance, in addition to giving them access to additional income (while there are limited data available, it seems that the majority of crowd workers in Europe do not do this as their main job). However, income tends to be low and unpredictable, which has negative effects on social protection coverage. Furthermore, information asymmetries disadvantage the workers, who in several cases also have to cope with unclear data protection, privacy and intellectual property issues.

Another new employment form related to digitalisation is *ICT-based mobile work*. This refers to dependent employees or the self-employed, who are more mobile than those in traditional teleworking. These might be people who have their fixed workplace, either in an employer's premises or at their own premises, and/or they might have a fixed work place at home, like a traditional home-based teleworker. However, on top of that, they work anytime, anywhere using modern ICT to conduct their tasks.<sup>3</sup> There is a cloud of data that they can use for their work which is linked to their main task, and they can access that anywhere.

In most cases, these employment relationships are based on a standard traditional, full-time, permanent employment contract. It seems that ICT-based mobile work often occurs in response to the demand of the workers, who are mainly knowledge workers or managerial staff who want to have the flexibility to work when they want, where they want and how they want; the employers offer them these employment conditions in order to retain them.

As regards working conditions, there are positive aspects in terms of flexibility, autonomy and better work–life balance, which might also result in personal productivity gains for the individual workers. On the other hand, there are potential dangers related to the either perceived or real requirement to be available 24/7. So it might have implications on working time, and the available data show that ICT-based mobile workers tend to work longer hours, but nevertheless have quite high job satisfaction. Similar to crowd employment, digitalisation could also result in a disadvantage for ICT-based mobile workers if employers misuse the technological possibilities of controlling and surveilling the workers.

<sup>3</sup> For more information on this employment form, see Eurofound and the International Labour Office (2017).

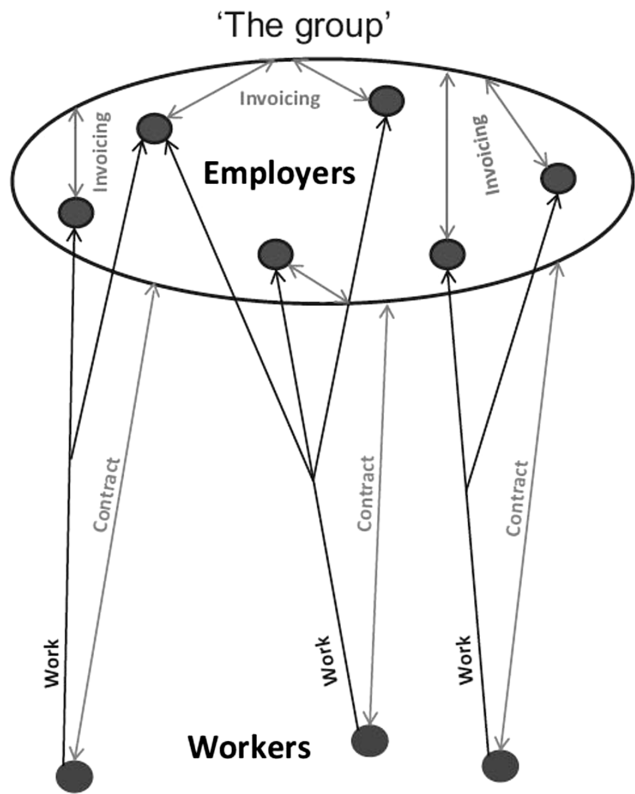
In contrast to the two previously mentioned employment forms, *casual work* has nothing to do with digitalisation. Eurofound differentiates between on-call work (including zero-hours contracts) and intermittent work (very short, fixed-term contracts). It refers to any type of job in which the employer is not obliged to provide work to the workers, which means it gives much flexibility to the employers but much insecurity to the workers. They do not know when they will be called and provided with work, which may also be very fragmented. Operationally, employers recruit as normal, but not for a specific job or task that needs to be done. Rather, they build up a pool of workers into a kind of database, detailing their skills, their availability and their other characteristics. Whenever they have demand for specific jobs, they call the workers and offer them the assignment. From the case studies conducted, the maximum notice given was a month before the assignment, but it can be very short notice. This employment form is considered to have many disadvantages for workers, related to job, income and social protection insecurity.

The last new employment form to be briefly mentioned here is strategic *employee sharing* (see Figure 2).<sup>4</sup> This employment form could replace some of the casual work relationships and has much more win-win potential for both employers and employees. In this employment form, several employers who have fragmented but recurring HR demand, which can be planned, join together to form an ‘employers’ group’. This employers’ group has a separate legal entity, and it is this employers’ group who hires the staff, ideally on a permanent, full-time basis. The employers’ group sends the workers to the different companies within the group. In this way, the workers, in spite of limited employment opportunities for permanent, full-time posts, are provided with such opportunities, while the employers get the staff they need, when they need them. It is slightly complex in terms of coordination and cooperation, but this is also one of the mandates of the employers’ group. The group will have designated management, who identify the HR needs of the participating companies and assign the workers to them. Accordingly, the participating companies can outsource some of the HR tasks to the employers’ group. This model might appear to be very similar to a temporary work agency. However, the difference is that the employers’ group does not have the intention to make a profit out of these tasks, which makes it more cost-efficient for the participating

<sup>4</sup> For more information on this employment form, please see Eurofound (2016b).

companies. The second important difference is that the workers know exactly from the very beginning where they will work and when, because they will be sent only to the participating member companies. And the third very important aspect is that the participating companies are not only clients, but have joint and several liabilities towards the workers.

**Figure 2: Strategic employee sharing**



**The impact of new forms of employment on working conditions and the labour market**

The heterogeneity among the identified new forms of employment also results in differences in their effects on working conditions and the labour market (see Figure 3). For example, as regards social protection, some of the emerging employment forms have the

potential to result in a better outcome for the individual workers, while others – notably those which result in more fragmented work – have more negative outcomes.

Another interesting aspect is flexibility. In general, there is a more positive trend for all the types except for casual work. Casual work offers much flexibility for the workers but it can be assumed that this flexibility is mainly beneficial for the employer.

In spite of flexibility, there seems to be a more negative effect related to stress and work intensity. Finally, it should be noted that almost all of the identified new employment forms tend to be disadvantageous as regards representation, which can be attributed to the newness of the concepts, making it challenging for traditional employee representatives to identify and voice the needs of the affected workers.

Figure 3: Impact on working conditions

	Employee sharing	Job sharing	Interim management	Casual work	ICT-based mobile work	Voucher-based work	Portfolio work	Crowd employment	Collaborative employment
Social protection									
Health and safety									
Income									
Bonuses, fringe benefits									
Length of working time									
Flexibility									
Work-life balance									
Stress, work intensity									
Career development									
Training, skill development									
Content of tasks, responsibilities									
Autonomy, control									
Integration in work organisation									
Representation									

Note: Light grey – beneficial working conditions; white – neutral working conditions (or evidence for both beneficial and disadvantageous realisations); dark grey – disadvantageous working conditions.

As regards labour market implications, the issue of labour market integration should be considered (see Figure 4). In spite of the advantages and disadvantages of these employment forms for the individual workers, all of them seem to have potential as a stepping stone into the labour market: they all ultimately offer some work. However, this finding should be interpreted with great care because there is limited information available concerning the sustainability of the jobs and/or the potential transitions of affected workers to other jobs. Accordingly, some of the identified employment forms are assumed to have the potential to contribute to labour market segmentation.

Figure 4: Impact on the labour market

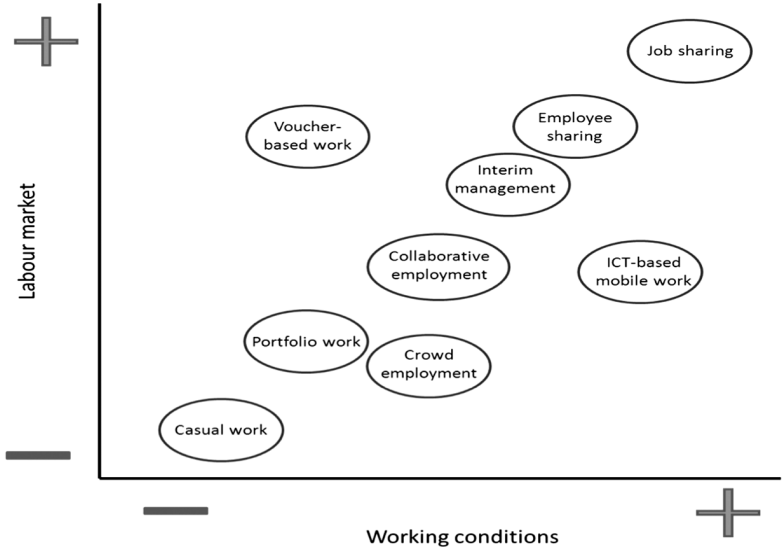
	Employee sharing	Job sharing	Interim management	Casual work	ICT-based mobile work	Voucher-based work	Portfolio work	Crowd employment	Collaborative employment
Job creation, job retention, crowding out of standard employment									
Labour market integration									
Segmentation of the labour market, social polarisation									
Legalisation of employment									
Increased attractiveness of the labour market, labour market innovation									
Upskilling of the labour force									

*Note:* Light grey – beneficial labour market effects; white – neutral labour market effects (or evidence for both beneficial and disadvantageous realisations); dark grey – disadvantageous labour market effects.

Finally, when compiling the potential effects of the identified emerging employment trends as regards working conditions and the labour market, Figure 5 shows, in the upper right corner, those employment forms that tend to be more beneficial for both the individual worker and the labour market as such. In contrast, in the lower left corner are those forms which are generally worse for both the workers and the labour market.



Figure 5: Comparative overview



Conclusions and policy pointers

While ‘traditional standard employment’ still dominates the European labour market, an increasing heterogeneity of employment forms is emerging. As this development is mainly driven by the need or wish for flexibility, social and societal trends, and technological developments, it can be assumed that it will continue in the future. The emerging employment forms differ in their benefits, and hence should be examined by policymakers.

On the one hand, there should be more awareness-raising, exchanging of experience and lessons learned to familiarise policy-makers, employers and employees with the new trends and their opportunities and threats.

For the more positive employment forms, there is the perception that these are less widespread currently than the more disadvantageous ones. Accordingly, if public budgets allow, there should be some incentives for those forms which have better outcomes for employees.

For the more negative employment forms, policymakers could consider some kind of regulation and safety nets to better protect

workers. This not only refers to legislation or collective agreements but also other possibilities such as monitoring and controls. For example, institutions such as labour inspectorates could be made aware of these emerging trends to ensure they focus on them when visiting companies.

## References

- Eurofound. (2015). *New forms of employment*. Luxembourg: Publications Office of the European Union.
- Eurofound. (2016a). *New forms of employment*. Retrieved from <https://www.eurofound.europa.eu/new-forms-of-employment#case%20studies> [20 November 2017].
- Eurofound. (2016b). *New forms of employment: Developing the potential of strategic employee sharing*. Luxembourg: Publications Office of the European Union.
- Eurofound. (2017). *Exploring self-employment in the European Union*. Luxembourg: Publications Office of the European Union.
- Eurofound and the International Labour Office. (2017). *Working anytime, anywhere: The effects on the world of work*. Luxembourg: Publications Office of the European Union; Geneva: International Labour Office.