

Driving up part-time employment in London

Final Report

Kate Bell, Paul Bivand, Malen Davies, Kris Krasnowski and
Amy O'Donnell

December 2012



1

MAYOR OF LONDON
ENTERPRISE PANEL



Contents

Executive summary	1
1 Introduction	5
1.1 Background to this study	5
1.2 Context	5
1.3 Methodology.....	6
1.4 Structure of this report.....	6
2 Barriers to part-time work	8
2.1 Supply side barriers to part-time work.....	8
2.2 Demand side barriers to part-time work	14
3 Statistical analysis of part-time work in London	23
3.1 Overview.....	23
3.2 What is driving the differences in part-time work?.....	25
3.3 Part-time jobs and pay	36
3.4 Why do workers work part-time?	39
3.5 Travel to work patterns	40
3.6 Estimating part-time and full-time unemployment.....	43
4 Learning from experience	48
4.1 Case study approach.....	48
4.2 Policy campaign in London	52
5 A framework for driving up part-time work in London	58
5.1 Scope of this study	58
5.2 Our initial assessment	58
5.3 Building on what works	61

Executive summary

As part of his re-election manifesto, the Mayor of London made a commitment to create 20,000 additional part-time jobs in London between now and 2016. This report, commissioned by the Greater London Authority on behalf of the London Enterprise Panel's Skills and Employment Working Group, provides a refreshed evidence base on part-time jobs in the capital and proposes a series of recommendations to help the Mayor and London stakeholders to deliver this ambition.

Evidence base: rapid literature review

The **barriers to part-time work are complex**. Supply side barriers, such as the cost of working and the tax and benefit system, affect an individual's choice on whether to work part-time. At the same time, demand side barriers, such as increased cost or management challenges associated with part-time work, affect employer-hiring choices and the type and quality of part-time jobs on offer in the labour market. **Both supply and demand side barriers matter**.

Historically **efforts to increase employment and part-time work have focussed on supply side measures** including tweaks to the tax and benefit system to make work pay, as well as back to work and skills programmes to help people into work. These interventions have tended to be **successful at the individual level, but less so at a macro-level**. Demand side measures are less prevalent in the literature and have tended to focus on debunking the myths associated with part-time work and workers, as well as educating employers on the business benefits.

Evidence base: statistical analysis

To support our literature review we have also undertaken **an analysis of part-time work** using the Labour Force Survey. This analysis explores a series of different variables to understand part-time jobs in London. It finds:

- **One in five employees in London works part-time**, approximately 800,000 employees. **Londoners are less likely to work in part-time jobs** than employees in the rest of the UK.
- **Patterns of part-time work vary across London**. Only 12 per cent of employees in Central London work in part-time roles compared to 21.5 per cent in Inner London and 26.3 per cent in Outer London. Comparatively Outer London more closely resembles the rest of the UK than it does Central London.
- Some of the differences between London and the rest of the UK can be **explained by differences in employment structure**, such as the differences in high and low skilled jobs, but not all.
- **Most people in the UK and London who work part-time do so out of choice**, either because they are studying or because they do not want a full-time job. Outside of London, this accounts for 8 in 10 employees with almost two-thirds of employees choosing part-time over full-time jobs. In contrast, whilst three in every four workers in Central London chooses part-time work, only around **one in two do not want full-time work**.
- However, **London's part-time workers are a third more likely to be employed in involuntary part-time work** than their peers in the rest of the UK. Our analysis finds that almost one-in-four, 24.1 per cent, of part-time workers could not find a full-time job compared to less than one-in-five (17.8 per cent) in the rest of the UK.
- We estimate that London has a **higher part-time unemployment rate, at 13 per cent**, than the rest of the UK at 9.6 per cent. This estimate is 3.5 percentage points higher than the London unemployment rate and double the difference between the national and London equivalent measures for part-time and full-time unemployment rates respectively.

A framework for driving up quality part-time work in London

The evidence we have reviewed suggests that the Mayor was correct to identify part-time work as an area of policy worth further exploration and there is a clear case for policy intervention at a London level.

In determining the most appropriate interventions to stimulate part-time work, it is important that London stakeholders recognise where their collective action can have the greatest impact. Similarly, the Mayor and London partners are not operating in isolation. A series of initiatives are currently underway at a national tier with similar aims to those articulated by the Mayor in his manifesto. Where these exist, it makes sense to align them, as well as building on experiences in delivering public policy goals in London, including the Mayor's success in driving up apprenticeships.

A summary of our recommendations for a part-time jobs campaign

■ **Recommendation 1:** Our analysis highlights a gap in demand-side stimulation and "selling the business case" for part-time work. We recommend a demand side focus as the basis for the part-time jobs campaign.

■ **Recommendation 2:**

a): Our analysis points to a shortfall in quality part-time jobs in Central London driving the difference between London and UK figures. A targeted intervention aimed at sectors and occupations in Central and Inner London is likely to be more effective in the first instance with an explicit focus on jobs paying in excess of £20,000 FTE.

b): We recommend that part-time jobs captured under this campaign be focussed on **voluntary part-time roles only** to maximise their economic and social impact.

■ **Recommendation 3:**

a): Aligning messaging with newly developed national and private sector messages, such as Power Part-Timers, will help build on existing activity and ensure consistency and appropriate messaging.

b): A series of organisations and businesses are in the process of developing a national strap line for a renewed push on the business benefits of part-time work and we recommend that the Mayor's campaign utilise this early work as part of his campaign in London.

- **Recommendation 4:** Develop a series of business champions and network leads to sell the business benefits of part-time work with an explicit focus on targeting **high profile individual champions** within firms and sectors, as well as **leading business organisations** who are perceived as industry leaders and whose models are used as best practice examples.

- **Recommendation 5:** The Mayor and the Skills and Employment Working Group should heed the lessons of their previous work in driving up take up of public policy goals. We recommend:
 - a):** The Mayor is associated with the part-time jobs campaign and has a clearly defined role in order to maximise its effectiveness.

 - b):** The success of the campaign will hinge on its ability to develop a compelling narrative, business case and messages on part-time work. This should be supported by financial investment by the GLA as part of a joint resourcing strategy drawing on public, private and voluntary sector funding and experience.

 - c):** Further thought is given to the infrastructure to support part-time jobs in London. We would advocate for a mixed approach that combines clear and shared messaging and independent information on job design, business benefits (presented in an accessible way), alongside a delivery infrastructure that is more organic and builds on what currently exists, such as recruitment firms, back-to-work providers/Jobcentre Plus, Sector Skills Councils, trade associations amongst others.

- **Recommendation 6:** The Mayor and the Skills and Employment Working Group develop a separate marketing campaign that sits outside other public sector offers in order to differentiate it from other public sector products.

1 Introduction

1.1 Background to this study

This paper has been commissioned by the Greater London Authority on behalf of the Mayor of London and the London Enterprise Panel's Skills and Employment Working Group to advise the Mayor on a part-time jobs campaign to help meet his commitment to create 20,000 additional part-time jobs between now and 2016.

1.2 Context

London is a leading global city and the engine of the UK economy, yet too few Londoners have shared in this success. London's employment rate has consistently lagged the UK average employment rate for more than two decades¹ and research suggests the single largest contributor to London's employment rate gap is the difference between female employment in London and the UK.² This is driven in part by constraints on the availability and take up of part-time work in London.

A wide range of research supports the economic and social gains that are likely to be associated with an improved part time work offer in London and an increase in employment more generally, including:

- A reduction in stubbornly high levels of child poverty³ and an increase in living standards⁴ by helping more parents to work and raising household incomes, particularly amongst women and second earners;
- Reducing the Government's expenditure on welfare by increasing employment and reducing unemployment and inactivity⁵;

¹ Mayor of London (2010) Increasing Employment in London, Greater London Authority

² See for instance Anastassova-Chirmicu (2008) The Evolution of UK and London Employment Rates, GLA Economics

³ London Child Poverty Commission (2008) *Capital Gains: London Child Poverty Commission Final Report* London Councils;

⁴ Plunkett J (2011) The Missing Million: the potential for female employment to raise living standards in low to middle income Britain, Resolution Foundation

- Increasing productivity and economic growth by better utilising the skills and full capacity available in the economy⁶ and enabling business to realise cost efficiencies by better matching task and business need with talent and job roles⁷;

1.3 Methodology

We have used a mixed-method, multi-phase approach to our research that included:

- A desk based (rapid) literature review drawing on both supply side and demand side barriers to part-time work; and a review of international best practice where it existed;
- A statistical analysis of London's part-time labour market to refresh our statistical evidence base;
- Three deep dive case studies into what works in stimulating the part-time recruitment market and a rapid review of best practice in delivering comparable policy campaigns in London;
- A workshop with key experts to test our emerging findings; and
- A series of policy recommendations to underpin the development of the Mayor's part-time jobs campaign.

1.4 Structure of this report

This report provides an evidence base and policy recommendations to support the development of a part-time jobs campaign in London. Chapter 2 summarises the evidence on barriers to part-time work from the perspective of individuals and businesses. This is followed by a statistical analysis of part-time jobs in London in Chapter 3. Chapter 4 provides a richer analysis of experience in stimulating the part-time jobs market and delivering London-wide policy campaigns. Finally, Chapter 5

⁵ Department for Work & Pensions (2010) Universal Credit: welfare that works

⁶ Leitch Review of Skills (2006) Prosperity for all in the global economy – world class skills, HM Treasury

⁷ Stewart E et al (2012) Building a sustainable quality part-time recruitment market, Joseph Rowntree Foundation

brings the evidence and analysis together to recommend a framework for increasing part-time work in London.

2 Barriers to part-time work

The barriers to part-time work are complex and are in part driven by their impact on how individuals behave in the labour market, such as the choices that lone parents or second earners make, or how firms and businesses hire or retain staff. This chapter summarises the relevant literature on barriers to part-time work in London from the perspective of individuals (supply side of the labour market) and employers (demand side of the labour market).

2.1 Supply side barriers to part-time work

2.1.1 Introduction

There is an extensive body of literature exploring the barriers to work and part-time work in London and the UK from the perspective of individuals or the supply side of the labour market. Our rapid literature review begins by looking at the costs of working, including child care, transport and housing, and the ability of the tax and benefit system to address these. It then considers the non-financial work incentives and support which may help parents take up work, including their own motivation and skills, as well as the performance of welfare to work schemes in London.

2.1.2 Costs of working

The costs of working in London are often cited as a major deterrent to choosing work particularly for lone parents and potential second earners. Often this choice is entirely rationale as they are either not better off in work (less likely) or only marginally better off in work after all costs have been considered, including childcare, housing and travel (more likely).

Cost of childcare

Research suggests that the cost of childcare in London is the single largest barrier to work for many parents. Childcare is expensive in the UK by international standards, and the costs in London are high by UK standards. Recent research shows the cost

of childcare in London is significantly higher than elsewhere in the country,⁸ with childcare costs an average of 23% higher across the board. For a summary see table 1.

Table 1: Average weekly costs of 25 hours childcare in London and GB

	Nursery under 2	Nursery 2 and over	Childminder under 2	Childminder 2 and over
London average	£119	£113	£119	£116
Britain average	£96	£94	£90	£88
London vs. UK costs	24% higher	20% higher	33% higher	32% higher

Source: Daycare Trust, 2011

Most of these higher costs are driven by the cost base associated with running businesses in London with staff and accommodation costs providing the main source of additional cost. For example, ground floor nursery rents are £100 to £250 in London, compared to £40 or £60 for Stockport in Greater Manchester. Staff costs are 20-30 per cent higher in London.⁹

The increased cost of childcare is making work or working more less attractive for many parents in the capital. A recent survey of parents in London found that almost two-thirds of respondents said that the cost of childcare had affected their decision about whether to work or not, and almost three in four parents questioned said the cost of childcare had affected how many hours they choose to work.¹⁰

Other costs

The additional cost of childcare in London is only part of the challenge. Both housing and transport costs further reduce net income for Londoners compared to their counterparts elsewhere in the UK. Housing costs are significantly higher in London with median social rents 17 per cent higher than the national average, and private

⁸ See for instance, London Development Agency (2011) *The London Childcare Market*; and Daycare Trust (2012) *Childcare Costs Survey 2012*

⁹ London Assembly (2012) *Tackling childcare affordability in London* Greater London Authority

¹⁰ London Assembly (2012) *Tackling childcare affordability in London* Greater London Authority

rents are 36 per cent higher in the capital.¹¹ In terms of transport, it is estimated that costs in London are around 63 per cent higher than in other comparable metropolitan areas.¹²

This suggests that even when parents decide to work the potential gains to work in London are less than they are elsewhere in the UK (all else being equal) as the combined effect of additional childcare, housing and transports costs erode work incentives in London compared to elsewhere in the country.

2.1.3 The tax and benefit system

The functioning of the existing tax and benefit system does not suitably take into account the additional higher costs in London and results in work paying less in London than it does elsewhere. For instance, the majority of recent reforms have used national indicators to set caps in benefit entitlement which penalises households in London due to the higher cost of housing.¹³ Previously the Government had recognised the additional costs of living and working in London via the In-Work Credit (IWC) which paid a 50 per cent premium in London to eligible lone parents, however, from October 2012 this is being phased out and has not been replaced by a measure that captures additional costs in London.

Similarly, recent changes to the tax credit system has also made short, part-time working a more difficult option for parents in couples. Prior to April 2012, parents needed to work a total of 16 hours between them in order to be eligible for Working Tax Credit. Since April 2012 couples now need to work 24 hours a week between them in order to qualify.

Universal credit – a glimpse into the future

The tax and benefit system will be replaced by the Universal Credit from October 2013 onwards which is intended to make work and working more pay in all instances.¹⁴ An independent analysis of the Universal Credit has suggested that the

¹¹ J Gleeson, *Housing: A Growing City*, Greater London Authority, 2011

¹² CESI (2011) *Making work pay in London under Universal Credit: A report for London Councils* CESI.

¹³ Navigant Consulting (2011) *Does the cap fit? An analysis of the impact of welfare reform*, commissioned by London Councils London Councils

¹⁴ <http://www.dwp.gov.uk/policy/welfare-reform/universal-credit/>

Government's reforms will make work pay, and be particularly effective for those with the weakest incentives in the existing system.¹⁵

However, there are three important caveats to this conclusion:

- The ability of Universal Credit to 'make work pay' in London is likely to be reduced relative to other parts of the country (all else being equal). Research estimates that all household types in London will have lower gains from working than in the rest of the country when moving into low paid work. For example, the spending power under Universal Credit for a single parent with two children for a 'mini' job of 6 hours (at minimum wage) will be around £1,000 worse off each year than the equivalent household elsewhere in the country.¹⁶
- Council Tax Benefit will be localised from April 2013, and the design of local schemes could leave families facing an additional withdrawal of benefits on top of UC as they move into work.¹⁷ This is likely to lead to a series of different withdrawal schemes across London;
- Potential second earners are likely to be worse off under UC who will see Universal Credit withdrawn more quickly if they enter work than currently happens with tax credits.¹⁸ As second earners in couples are one of the groups that may be targeted by any initiative to increase part time working, this needs to be borne in mind.

2.1.4 Non-financial work incentives and support

Parental skills and motivations

London families are considerably more likely to have characteristics associated with labour market disadvantage than families living elsewhere. Around half of those in inner London, and 40 per cent of those in outer London come from an ethnic group

¹⁵ Brewer, M., Browne, J., and Jin, Wenchao (2012) 'Universal Credit: a preliminary assessment of its impact on incomes and work incentives in *FISCAL STUDIES*, vol. 33, no. 1, pp. 39–71

¹⁶ CESI (2011) *Making work pay in London under Universal Credit: A report for London Councils* CESI.

¹⁷ Brewer, M., Browne, J., and Jin, Wenchao (2012) 'Universal Credit: a preliminary assessment of its impact on incomes and work incentives in *FISCAL STUDIES*, vol. 33, no. 1, pp. 39–71

¹⁸ Brewer, M., Browne, J., and Jin, Wenchao (2011) *Universal Credit: A preliminary Analysis* IFS Briefing Note 116.

other than 'White British' compared to 15% of those in the rest of England.¹⁹ The proportion of children living with lone parents, and in social housing, groups which are also more likely to face labour market disadvantage, are also higher than in other regions.²⁰

An HM Treasury report into London's labour market published in 2007 examined migration patterns into and out of London. They found that "net outflows of families with dependent children are concentrated among those in higher socio-economic groups. Lower skilled parents, those at greater disadvantage in the London labour market, tend to remain in the city."²¹

However, the nature of London's parental population cannot alone explain low maternal employment rates in the capital. The Treasury report found that: "for mothers, worse employment rates in London are not fully explained by differences in individual characteristics. Nor are they properly explained by differences in work preferences" and that in inner London, lone parents were 8 percentage points less likely to be in employment than lone parents with similar characteristics, and mothers in couples 10 percentage points less likely.²²

Large amounts of qualitative work, predominantly with lone parents, has identified that parents differ in their motivations around work and childcare, and their preference between the two. Part time work is, however, often described as the preferred option for lone parents. Qualitative work with lone parents in London highlighted the following concerns amongst non-working lone parents:

- Part-time work was perceived to be low-paid and low-status (and therefore not financially attractive), and that even part-time jobs do not routinely offer the flexibility and parent-friendly hours that are necessary.
- The transition from benefit into work needed to be smooth; they feared their finances could not absorb any mistakes in payments made by employers, tax

¹⁹ Tom MacInnes, Anushree Parekh and Peter Kenway (2011) *London's Poverty Profile* Trust for London.

²⁰ London Child Poverty Commission (2008) *Capital Gains: London Child Poverty Commission Final Report* London Councils.

²¹ HM Treasury (2007) *Employment opportunity for all: tackling worklessness in London* HM Treasury.

²² HM Treasury (2007) *Employment opportunity for all: tackling worklessness in London* HM Treasury

credits, or benefits, and some were worried about losing the security which benefits provide.

Far less qualitative research has been carried out with potential second earners, and we are not aware of any that is London specific. A report²³ for the DWP in 2009 which conducted 50 qualitative interviews with potential second earners found that the main reasons for being out of employment were:

- Health problems;
- A desire to 'be there for their children';
- A lack of suitable childcare.

Within the research, all of those interviewed in London said that they were planning to look for paid work in the foreseeable future. The research again found a strong preference for part time work: "Most participants (mainly women) wanted to work part-time hours so they could do the school run and minimise the need to use paid childcare. The desire to work locally and so cut down on travel to work was the next most commonly mentioned factor. Level of earnings was certainly a consideration for participants, but not mentioned nearly as often as the other two factors."

Revised conditionality regimes

The level of jobsearch that lone parents are required to undertake in order to receive benefits has progressively increased in recent years. In 2008, lone parents could claim Income Support, with few active jobsearch requirements, until their youngest child was aged 16. That age was reduced to five in 2012. This may mean that there is a larger pool of parents not only looking for part time work, but with an obligation to take it.

Welfare to work services in London

For lone parents subject to work search conditionality under JSA, Jobcentre Plus and the Work Programme should provide them with support to access part time jobs.

²³ Sharon Collard and Adele Atkinson (2009) *Making decisions about work in one-earner couple households* Department for Work and Pensions Research Report No 560

The London Child Poverty Commission report found that outcomes for lone parents in London were considerably poorer than elsewhere, in part due to lower targets being set in the capital.²⁴ A snapshot of the data suggests that these might have improved subsequently; in August 2012 19% of female JSA claimants in London left JSA, compared to 18% nationally.

We do not yet have data from the Work Programme to be able to evaluate its success at helping clients (or parents) back to work. However, performance of previous welfare to work programmes has been worse in London than elsewhere, with the job entry rate for the Pathways to Work programme for Incapacity Benefit claimants around five percentage points lower than the national rate²⁵ (although it is not clear whether this is due to the greater scale of the challenge in London or to characteristics of the provision itself).

2.2 Demand side barriers to part-time work

2.2.1 Introduction

Across the UK, part-time working is the most commonly available form of flexible working²⁶, and has grown at a faster rate than full-time employment over the past decade.²⁷ However, there remain distinct disparities in the availability of part-time work, in terms of employment sector, seniority of role, and geography.²⁸ In particular, London has a lower proportion of employees in part-time work than

²⁴ London Child Poverty Commission (2008) *Capital Gains: London Child Poverty Commission Final Report* London Councils.

²⁵ London Skills and Employment Observatory (2011) *Work Programme information in London: Information for Stakeholders as the Work Programme Starts* London Skills and Employment Observatory.

²⁶ Tipping, S., J. Chanfrea, et al. (2010). The Fourth Work-Life Balance Employee Survey. *Employment Relations Research Series 122*. London, Department for Business Innovation and Skills

²⁷ Stewart, E., D. Curtis, et al. (2010). Can an increase in quality part-time jobs reduce maternal unemployment and lift families out of poverty? *Building a sustainable quality part-time recruitment market*. York, Joseph Rowntree Foundation

²⁸ See for instance, Anxo, D., S. Hussain, et al. (2012). "The demand of part-time in European companies: a multilevel modelling approach." *Applied Economics* 44(8): 1057-1066; and Lyonette, C., B. Baldauf, et al. (2010). 'Quality' part-time work: a review of the evidence. University of Warwick, Institute for Employment Research for Government Equalities Office

other parts of the UK,²⁹ an issue which has been identified as a major barrier to labour market participation for women with children in particular.³⁰

2.2.2 The business barriers to part-time working

Increased costs associated with employing part-time workers

A key issue highlighted in research on the business barriers to creating part-time roles is employers' perceptions of the added costs incurred. These costs arise as a result of a range of factors. Firstly, an increased headcount (more part-timers covering the work of fewer full-timers) means that there are also increases in administrative, managerial, training, recruitment and other overheads for employers.³¹ Such quasi-fixed costs can be a particularly prohibitive factor for smaller businesses considering part-time working.³²

Secondly, depending on the extent of the reduction in hours, it may not be financially viable to make-up the time through job-share and so forth. If a worker only reduced hours by 15-30%, for example, it is not possible to recoup the time lost, resulting in a negative impact on overall resourcing capability. Research by Dick has highlighted this as a particular concern in organisations where a shift-system is in place; and found that police managers, for example, would prefer full-time workers in terms of manpower strength.³³ Such costs mean that even when employers are in principle supportive of increasing numbers of quality part-time

²⁹ Harker, A. (2007). Current Issues Note 12: Why are there so few part-time jobs in London? GLA Economics. London, Greater London Authority.

³⁰ HM Treasury (2007) *Employment opportunity for all: tackling worklessness in London* HM Treasury

³¹ See for instance Edwards, C. and O. Robinson (2004). "Evaluating the Business Case for Part-time Working amongst Qualified Nurses." *British Journal of Industrial Relations* **42**(1): pp. 167-183; Lyonette, C., B. Baldauf, et al. (2010). 'Quality' part-time work: a review of the evidence. University of Warwick, Institute for Employment Research for Government Equalities Office; and Stewart, E., D. Curtis, et al. (2010). Can an increase in quality part-time jobs reduce maternal unemployment and lift families out of poverty? *Building a sustainable quality part-time recruitment market*. York, Joseph Rowntree Foundation

³² Anxo, D., S. Hussain, et al. (2012). "The demand of part-time in European companies: a multilevel modelling approach." *Applied Economics* **44**(8): 1057-1066

³³ Dick, P. (2005). *Exploring Part-Time and Flexible Working Practices in the Police Service*. London, Economic and Social Research Council

work, it can be hard to sustain efforts against the combined pressures of budget constraints and organisational restructuring, particularly during a recession.³⁴

Challenges of managing part-timers

Evidence suggests that part-time workers present a number of management challenges to employing organisations. In part, this relates to the increased complexity in mainly administrative terms. Dick's research revealed a concern on the part of police managers about their supervisory responsibilities in relation to managing part-timers, for example, calculating time owed, accommodating staff development needs and target setting.³⁵ This issue was also highlighted in Edwards and Robinson's study of part-time working in the nursing profession, which showed that accommodating needs of part-timers made rota setting in particular, extremely complex.³⁶

However there are also challenges relating to effective task execution. Where tasks are primarily designed to be done by one person, and require continuity, it can be problematic to deploy a part-timer in that role.³⁷ This is particularly the case for more senior and / or professional positions, that are usually designed as full-time roles³⁸; and in organisations where a shift pattern is in place, as part-timers can have significant breaks between shifts.

Related to this issue, it can also be difficult to maintain a sense of equity within teams due to having to accommodate part-timers working patterns. For example, this can lead: to full-timers having to work more weekends; to additional work being allocated to full-timers as a result of less available resources; and a concern that responsibility for uncompleted tasks will fall to full-time colleagues, particularly in

³⁴ Lyonette, C., B. Baldauf, et al. (2010). 'Quality' part-time work: a review of the evidence. University of Warwick, Institute for Employment Research for Government Equalities Office

³⁵ Dick, P. (2005). Exploring Part-Time and Flexible Working Practices in the Police Service. London, Economic and Social Research Council

³⁶ Edwards, C. and O. Robinson (2004). "Evaluating the Business Case for Part-time Working amongst Qualified Nurses." *British Journal of Industrial Relations* **42**(1): pp. 167-183

³⁷ Smeaton, D., S. Vegeris, et al. (2009). Older workers: employment preferences, barriers and solutions. London, Equality and Human Rights Commission Research report 43.

³⁸ Stewart, E., D. Curtis, et al. (2010). Can an increase in quality part-time jobs reduce maternal unemployment and lift families out of poverty? *Building a sustainable quality part-time recruitment market*. York, Joseph Rowntree Foundation

relation to more senior roles.³⁹ Such impacts can understandably disrupt work relations between the part-timer and full-timer.⁴⁰

A lower calibre of worker: less loyal, less flexible and less committed

There is a belief on the part of some employers at least, that part-time workers are less committed than their fulltime colleagues.⁴¹ This belief stems from a range of issues. First, there is evidence that some employers feel part-time workers represent a relatively inflexible workforce. Caring commitments and / or other outside work commitments mean that part-timers are often unprepared to work additional hours.⁴² This issue is compounded by the limits imposed by the tax and benefit system (i.e. the requirement to only work a maximum number of hours to maintain eligibility).⁴³

Second, other research by Edwards and Robinson, highlighted a perception on the part of managers (in this case, the police), that part-timers were less likely to engage in informal activities such as out-of-hours socialising and networking, which were seen as providing an important role in general information sharing and team bonding; a point echoed by Hakim and Unison-commissioned research.⁴⁴ Other research has emphasised communication as an issue: between both colleagues, and

³⁹ Grant, L., S. Yeandle, et al. (2006). Working Below Potential: Women and Part-time Work: Synthesis Report. Gender and Employment in Local Labour Markets. Sheffield Hallam University Centre for Social Inclusion.

⁴⁰ Dick, P. (2009). "Bending over Backwards? Using a Pluralistic Framework to Explore the Management of Flexible Working in the UK Police Service." British Journal of Management **20**: S182-S193

⁴¹ Charlesworth, S. and K. Whittenbury (2007). "Part-Time and Part-Committed? The Challenges of Part-Time Work in Policing." Journal of Industrial Relations **49**(1): pp. 31-47; Grant, L., S. Yeandle, et al. (2006). Working Below Potential: Women and Part-time Work: Synthesis Report. Gender and Employment in Local Labour Markets. Sheffield Hallam University Centre for Social Inclusion

⁴² Stewart, E., D. Curtis, et al. (2010). Can an increase in quality part-time jobs reduce maternal unemployment and lift families out of poverty? Building a sustainable quality part-time recruitment market. York, Joseph Rowntree Foundation

⁴³ Harkness, S. and M. Evans (2011). "The Employment Effects of Recession on Couples in the UK: Women's and Household Employment Prospects and Partners' Job Loss." Journal of Social Policy **40**: 675-693

⁴⁴ Hakim, C. (1996). Female Heterogeneity and the Polarisation of Women's Employment. London, Athlone Press; and Visser, F. and L. Williams (2006). Work-life balance: Rhetoric versus reality? An independent report commissioned by UNISON. London, The Work Foundation

in some instances, customers and the public.⁴⁵ In relation to senior level jobs, research suggests such beliefs impact on recruitment decisions. For example, Grant et al reported that employers felt that advertising management roles as part-time posts would attract a lesser calibre of worker.⁴⁶ For many organisations and employer sectors, therefore, there is a strong conviction that an important job is a full-time job; and a fully committed employee works full-time.⁴⁷

2.2.3 Addressing the challenges; maximising the advantages

A more flexible workforce

Despite the fact that lack of flexibility emerges as an identified business barrier, it is also the case that a key motivator to the creation of part-time roles by employers is the potential it allows them to better align staffing capacity with peaks in demand.⁴⁸ Gibbons' research into part-time working in London in the SME business sector found that where businesses experienced high fluctuations in demand for their services and therefore needed to increase available hours for specific periods of the day or week, they were more likely to see the need to employ part-time staff.⁴⁹ Indeed Anxo et al showed a positive correlation between businesses with a seasonal variation in the workload and use of part-timers.⁵⁰

There is also similar evidence from the public sector. For example, ESRC research also showed that police managers believed part-time working could boost the

⁴⁵ Lyonette, C., B. Baldauf, et al. (2010). 'Quality' part-time work: a review of the evidence. University of Warwick, Institute for Employment Research for Government Equalities Office

⁴⁶ Grant, L., S. Yeandle, et al. (2006). Working Below Potential: Women and Part-time Work: Synthesis Report. Gender and Employment in Local Labour Markets. Sheffield Hallam University Centre for Social Inclusion

⁴⁷ Crompton, R. and C. Lyonette (2011). "Women's Career Success and Work-life Adaptations in the Accountancy and Medical Professions in Britain." Gender Work and Organization **18**(2): 231-254

⁴⁸ Whickham, J. (1997). "Part-time Work in Ireland and Europe: who wants what where?" Work Employment and Society **11**: pp. 133-151; and Grant, L., S. Yeandle, et al. (2006). Working Below Potential: Women and Part-time Work: Synthesis Report. Gender and Employment in Local Labour Markets. Sheffield Hallam University Centre for Social Inclusion

⁴⁹ Gibbons, D. (2009). London Part Time Working Project. London, Centre for Economic and Social Inclusion

⁵⁰ Anxo, D., S. Hussain, et al. (2012). "The demand of part-time in European companies: a multilevel modelling approach." Applied Economics **44**(8): 1057-1066

flexibility of service on offer.⁵¹ This driver was supported by findings from the Quality Part-time Work Fund pilot projects which showed that a participating local authority social service department and schools were heavily reliant on part-time workers for service delivery.⁵²

Case Study: ASDA has used part-time and / or seasonal working as a key way of attracting older workers over 50. Options include 'Benidorm Leave', which keeps jobs open for employees who would like to take a few months off in the winter, and 'Seasonal Colleagues', which allows people to work for the ten busiest weeks of the year without having to leave and re-join the company. Benefits highlighted by the company as a result include: reduced staff turnover and recruitment costs, alongside raising the companies profile as an age positive employer. Crucially, however, the scheme has enabled the employer to build a pool of employees on its books, trained and ready to be deployed at trading peaks (Smeaton, Vegeris et al. 2009).

Cost-effective employment

Importantly, of course, employees on part-time contracts can increase their hours of work (to cover sickness, holidays and so forth) without over-time rates needing to be paid,⁵³ and there is certainly evidence that a high rate of absenteeism increases the likelihood that a business will use part-timers.⁵⁴ Employers can avoid unnecessary wage-costs and other overheads by not paying for 'down-time' in the working day (this can be the case for both jobs that are required on a continuous daily basis, and those required at only specific times of week or year) or to 'plug-gaps' or boost numbers more cost-effectively than by appointing full-time workers.⁵⁵

⁵¹ Dick, P. (2005). Exploring Part-Time and Flexible Working Practices in the Police Service. London, Economic and Social Research Council

⁵² Lyonette, C. and B. Baldauf (2010). Quality part-time work: an evaluation of the Quality Part-time Work Fund. University of Warwick, Institute for Employment Research for Government Equalities Office

⁵³ Grant, L., S. Yeandle, et al. (2006). Working Below Potential: Women and Part-time Work: Synthesis Report. Gender and Employment in Local Labour Markets. Sheffield Hallam University Centre for Social Inclusion

⁵⁴ Anxo, D., S. Hussain, et al. (2012). "The demand of part-time in European companies: a multilevel modelling approach." Applied Economics **44**(8): 1057-1066

⁵⁵ Gibbons, D. (2009). London Part Time Working Project. London, Centre for Economic and Social Inclusion; and Sandor, E. (2009). European Company Survey 2009: Part-time work in Europe. Dublin, European Foundation for the Improvement of Living and Working Conditions

In this sense, therefore, rather than a barrier to part-time employment, recession can actually act as a facilitator: a decline in demand for services and goods combined with the pressure to do things 'smarter', can lead to creation of more part-time opportunities.⁵⁶

Case study: Centrica introduced their Work Wise programme to drive a complete culture change in working patterns with the extension of flexible working policy to office-based staff. The business driver was to generate commercial property savings, as well as enhancing employer reputation to attract a diverse workforce. Sixty per cent of its employees are taking advantage of flexible working hours and home-working opportunities. Options offered include flexible start and finish times, shift work, job-sharing, staggered hours, part-time and compressed hours (Smeaton, Vegeris et al. 2009).

Enhancing recruitment and retention

Finally, provision of part-time working opportunities is seen as playing a key part in both widening the recruitment pool, and in improving retention rates of existing employees. Indeed the business case literature focuses heavily on this factor, emphasising the mutual benefits for both employees and employers.⁵⁷ Firstly, there is evidence that some managers believe that in order to recruit the best candidate, with a particular skill-set and so forth, more roles needed to be opened up to part-timers⁵⁸. This has the combined benefits of supporting more successful recruitment drives, increasing workforce diversity, and improving an organisation's public profile, by being seen to embrace equality and work-life balance legislation.

⁵⁶ Buddelmeyer, H., G. Mourre, et al. (2004). The determinants of part-time work in EU countries: Empirical investigations with macro-panel data. Bonn, Forschungsinstitut zur Zukunft der Arbeit (Institute for the Study of Labour); and Sandor, E. (2009). European Company Survey 2009: Part-time work in Europe. Dublin, European Foundation for the Improvement of Living and Working Conditions

⁵⁷ Lyonette, C., B. Baldauf, et al. (2010). 'Quality' part-time work: a review of the evidence. University of Warwick, Institute for Employment Research for Government Equalities Office; and de Menezes, L. M. and C. Kelliher (2011). "Flexible Working and Performance: A Systematic Review of the Evidence for a Business Case." *International Journal of Management Reviews* **13**(4): 452-474

⁵⁸ Grant, L., S. Yeandle, et al. (2006). Working Below Potential: Women and Part-time Work: Synthesis Report. *Gender and Employment in Local Labour Markets*. Sheffield Hallam University Centre for Social Inclusion; and Edwards, C. and O. Robinson (1999). "Managing part-timers in the police service: a study of inflexibility." *Human Resource Management Journal* **9**(4)

Case study: Kingpin is a marketing agency for the IT sector and works with some of the biggest names in the business including Microsoft, McAfee and Sage. They needed a qualified accountant for a stand-alone Finance Manager role and decided that the job would be more successful with a senior person working on a part-time basis than a less experienced candidate working full time. Rather than the usual large financial agencies, Kingpin used London-based specialist recruitment agency to help them achieve this aim (Timewise Recruitment 2012).

Case study: Towry is a leading wealth advice firm, specialising in the provision of wealth advice and investment management services to private individuals. Faced with a demand from increasing numbers of female clients wanting female advisors, Towry designed an innovative training programme offering highly numerate executives a lateral career change and part time hours in order to attract senior level 'women returners'. Again, they used Timewise to access the right calibre of candidates (Timewise Recruitment 2012).

Secondly, in relation to the benefits to retention rates, an ESRC study found that police service managers believed that the provision of part-time and / or flexible working opportunities helped support worker retention, manpower and skills, and led to more "satisfied and contented" workers.⁵⁹ This is supported by a systematic review of the business case for flexible working by De Menezes and Kelliher.⁶⁰ Indeed, there is strong evidence that a significant proportion of part-time roles arise as a retention measure,⁶¹ and this is invariably at the employee's as opposed to the employer's request, particularly where higher paid jobs are concerned.⁶²

Case Study: West Midlands Police introduced a range of flexible working options, including part-time working, term-time working, compressed working

⁵⁹ Dick, P. (2005). Exploring Part-Time and Flexible Working Practices in the Police Service. London, Economic and Social Research Council

⁶⁰ de Menezes, L. M. and C. Kelliher (2011). "Flexible Working and Performance: A Systematic Review of the Evidence for a Business Case." *International Journal of Management Reviews* **13**(4): 452-474

⁶¹ Whittock, M., C. Edwards, et al. (2002). "'The tender trap': gender, part-time nursing and the effects of 'family-friendly' policies on career advancement." *Sociology of Health & Illness* **24**(3): 305-326

⁶² Stewart, E., D. Curtis, et al. (2010). Can an increase in quality part-time jobs reduce maternal unemployment and lift families out of poverty? *Building a sustainable quality part-time recruitment market*. York, Joseph Rowntree Foundation

weeks, job-share and annualised hours, in an effort to improve recruitment and retention. The organisation believes that the initiative has served to increase awareness of personal circumstances, improve staff morale and help retain experienced staff. In addition, the force now has the highest percentage of female officers (Smeaton, Vegeris et al. 2009).

Case study: Farelly Facilities and Engineering, a construction sector company employing 50 people, changed a number of aspects of their working culture in order to improve work-life balance. This included the introduction of a standard 35 hour week and a willingness to embrace flexibility. The company cites numerous benefits as a result, including increased sales and profits, reduction in customer complaints and increased staff retention with 5% turnover rates (very low for the sector). Further, staff are seen as more motivated, responsible and innovative as a result (Walton 2007).

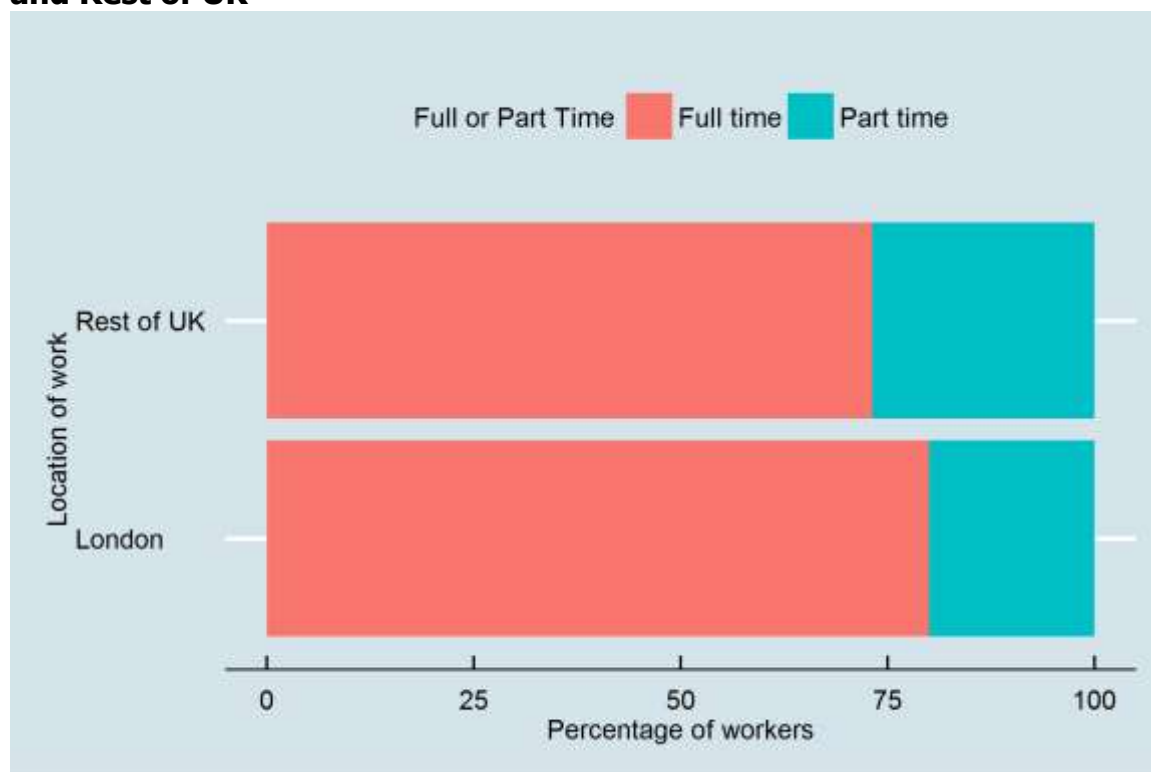
3 Statistical analysis of part-time work in London

The previous chapter explored the relevant literature on the barriers to part-time work for individuals and employers. This chapter looks to refresh our statistical evidence base on part-time work in London.

3.1 Overview

Employees in London are more likely to work in full-time jobs than part-time roles. Only one in five, or 20 per cent, of employees in London is currently working in a part-time role and Londoners are less likely to be in part-time jobs than workers in the rest of the UK, where more than one in four, 27 per cent, of employees is in part-time work, see figure 3.1.

Figure 3.1: Percentage of workers in full-time and part-time work, London and Rest of UK



Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

The pattern of full-time and part-time work in London varies spatially. Employees in Central London are more likely to work in full-time positions than their counterparts in Inner London or Outer London.⁶³ 12 per cent of the Central London workforce work in part-time employment compared to 21.5 per cent in Inner London and 26.3 per cent in Outer London. Outer London has more than double the proportion of

⁶³For these purposes, **Central London**: area within the bounds of the main London British Rail train termini. This includes parts of: Camden, Islington, Kensington and Chelsea, Lambeth, Westminster and City of London (consistent with DfT definitions). **Inner London**: areas outside of the London British Rail train termini in Central London as well as Hackney, Hammersmith & Fulham, Haringey, Lewisham, Newham, Southwark, Tower Hamlets and Wandsworth. **Outer London** is the following boroughs: Barking and Dagenham, Barnet, Bexley, Brent, Bromley, Croydon, Ealing, Enfield, Greenwich, Harrow, Havering, Hillingdon, Hounslow, Kingston upon Thames, Merton, Redbridge, Richmond upon Thames, Sutton, and Waltham Forest.

part-time workers than in Central London and accounts for one in two of London's part-time jobs.

In comparative terms, Outer London more closely resembles the rest of the UK than it does Central London in terms of proportions of part-time and full-time workers. This comparison is also consistent across a range of other labour market indicators including pay, skills and occupation profiles.

Figure 3.2: Percentage of full-time and part-time workers, within London and rest of the UK



Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

3.2 What is driving the differences in part-time work?

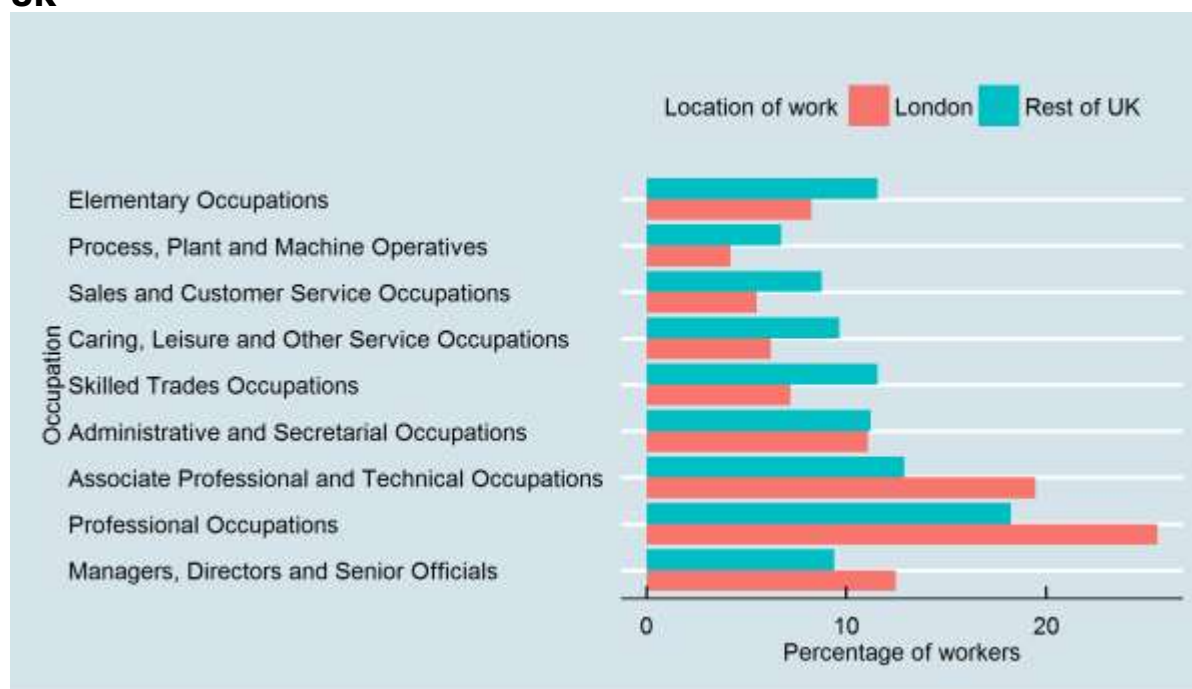
There are clear differences in part-time employment between London and the UK and within London, as the previous section demonstrated. However, in order to understand these differences we need to look at what is driving them.

3.2.1 Differences in employment structure

London's labour market has evolved since the 1980s into what Goos and Manning have described as "lovely and lousy" jobs⁶⁴, where the labour market has seen a growth in the number of high skilled and low skilled jobs at the expense of jobs in the middle. Whilst the UK employment structure is beginning to exhibit these trends it remains firmly behind London in the extent to which these trends are observed.

From an occupational perspective the extent of this difference is clear. In London six in every ten workers, 58 per cent, works in managerial, professional or associate professional occupations which are often categorised as high skilled jobs. However, in comparison only four in ten, 41 per cent, work in the same occupations in the rest of the UK, see figure 3.3. Similarly, the rest of the UK exhibits a more balanced occupational profile than the UK's which may also account for differences.

Figure 3.3: Comparison of occupational profiles, London and Rest of the UK

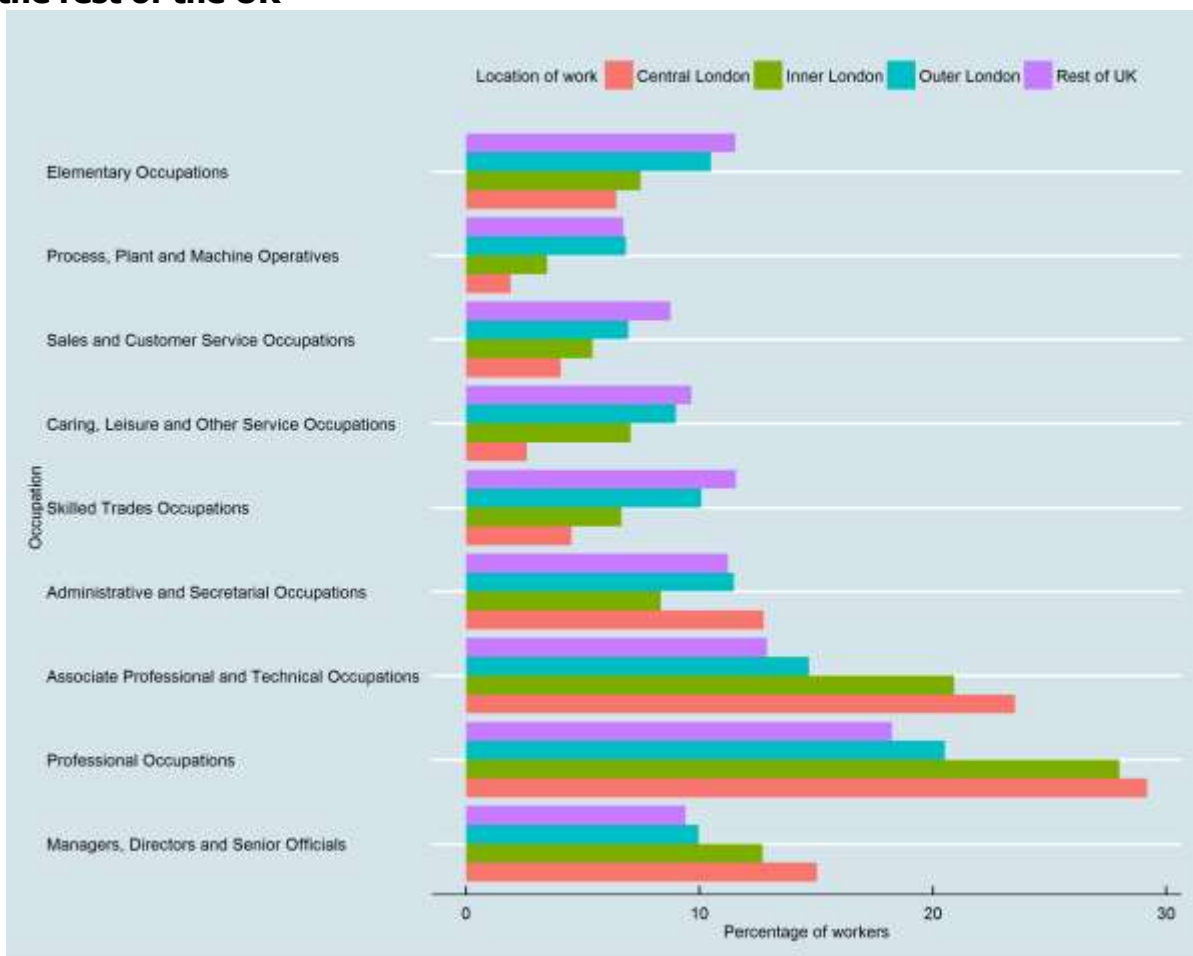


Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

⁶⁴ Goos M and Manning A (2007) Lovely and Lousy jobs.

The patterns observed between London and the rest of the UK are more extreme within London, and in particular between Central London and Inner London compared to Outer London. In Central London and Inner London 68 per cent and 62 per cent of workers are in higher skilled occupations respectively. In comparison only 45 per cent of workers in Outer London are employed in these same occupations, see figure 3.4. This confirms the spatial differences in occupational structures within London as well as between London and the rest of the UK.

Figure 3.4: Comparison of occupational profiles within London and with the rest of the UK



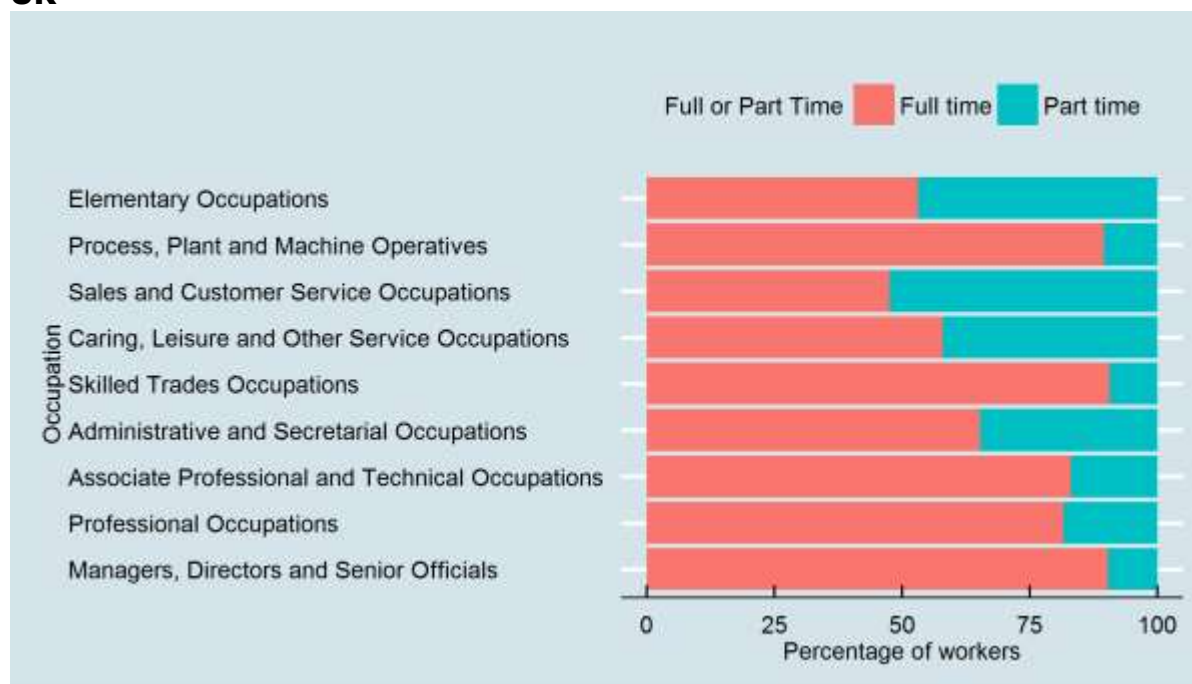
Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

3.2.2 Part-time workers by occupation

We have established that there are spatial differences in occupational structures across London, and between London and the UK, however, do these differences contribute to London's gap in part-time work? To answer this it is necessary to look at the proportional split between part-time roles and full-time roles within each occupational classification at the UK and London level.

At the UK level there is a clear pattern where the higher level occupations have a considerably higher proportion of full-time roles as opposed to part-time roles. For instance, nine in ten managers are in full-time jobs and more than eight in ten professionals and associate professionals. However, higher skilled occupations are not the only occupations with a high proportion of full-time workers as a total percentage of their workforce. In both process, plant and machine operative occupations and skilled trades nine in ten of the workers are full-time. In comparison, elementary occupations and sales and customer service have a more equal split, with the latter occupation grouping having a higher proportion of part-time workers to full time workers, see figure 3.5.

Figure 3.5: Percentage of part-time and full-time workers by occupation, UK

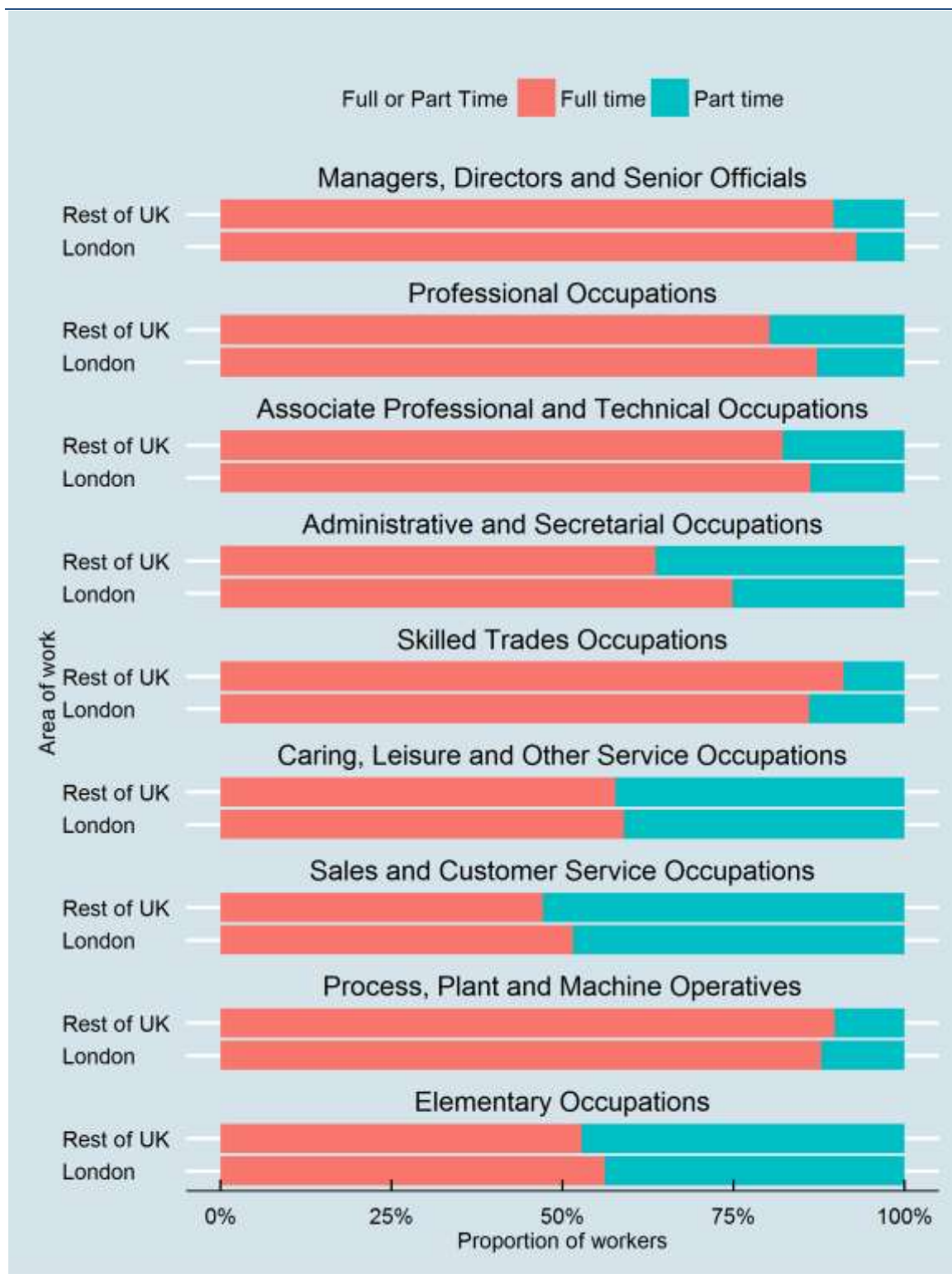


Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

The employment structure and proportion of part-time jobs within occupational structures suggests that in London, and in particular Central London, a shortfall in part-time jobs roles is not unexpected given occupational trends. Central London has a higher proportion of more highly skilled occupations which have less part-time roles and a lower proportion of occupations with more part-time jobs roles.

However, even when we factor in the occupational trends, London’s proportion of part-time roles within occupations is lower in nearly all cases, aside from two: skilled trades and process, plant and machine operatives, see figure 3.6.

Figure 3.6: Percentage of part-time and full-time workers within occupations in London and rest of the UK



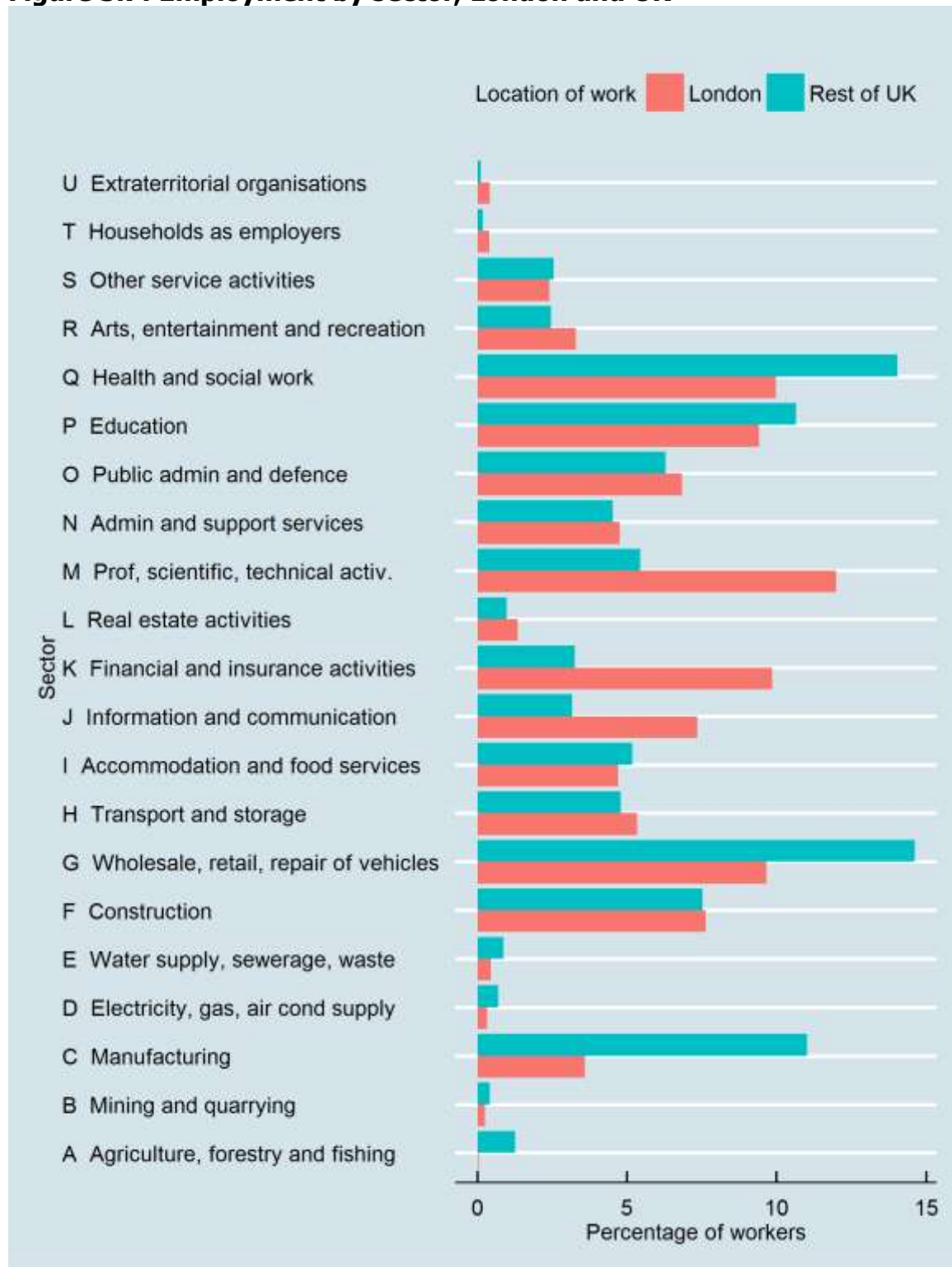
Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

Looking within occupations, there is a 5 percentage point gap between the proportion of part-time workers in managerial roles between London and the UK. However, these gaps are not confined to higher skilled occupations, they also exist in lower skilled occupations too. For instance, the gap between London and the rest of the UK in administrative and secretarial roles is 11 percentage points.

3.2.3 Part-time workers by sector

The occupational trends on part-time work are reinforced by the sectoral profiles. London's sectoral structure is different to the UK's, see figure 1.7.

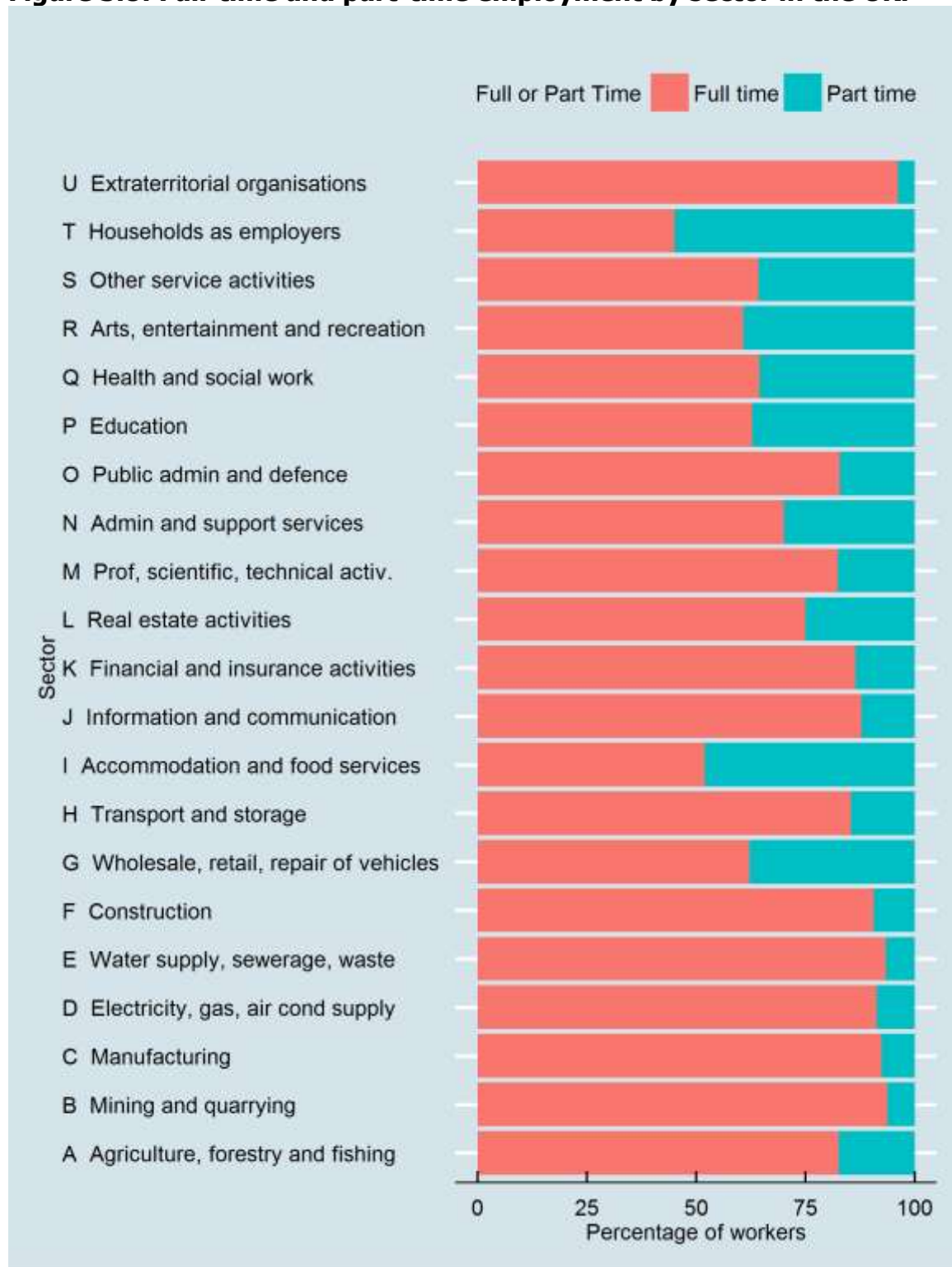
Figure 3.7: Employment by sector, London and UK



Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

London has a higher proportion of its employment in sectors that compete in high skilled and high value added services and industries, such as financial and insurance services, professional, scientific and technical services and information and communication. In these sectors the part-time percentage of workers is low. Conversely, it has a lower proportion of employment in sectors such as health and social work and Wholesale, Retail, Repair of Vehicles where the part-time percentage of workers is higher, see figure 3.8.

Figure 3.8: Full-time and part-time employment by sector in the UK.



The combined effects of a different employment structure in terms of occupations and sectors, in addition to 'London factors' within these structures is contributing to the difference between part-time employment within London and between London and the rest of the UK. However, these findings do not explain why certain sectors and occupations in London are less likely to have part-time employment opportunities.

3.3 Part-time jobs and pay

In order to more accurately quantify pay differentials we have chosen to present these findings using occupations and hourly pay submitted by household respondents to the Labour Force Survey for consistency with the previous analysis.

3.3.1 National level

At the national level almost every occupation has a part-time pay penalty, aside from managerial occupations⁶⁵, see figure 1.9. The part-time pay penalty ranges from as low as 12 pence per hour in the Caring, Leisure and Other Service occupations to as high as £2.80 per hour in skilled trades.

⁶⁵ The standard error of the estimate may explain this finding for managerial occupations as a result of relatively fewer workers in this group.

Figure 3.9: Hourly pay for full-time and part-time workers by occupation, UK

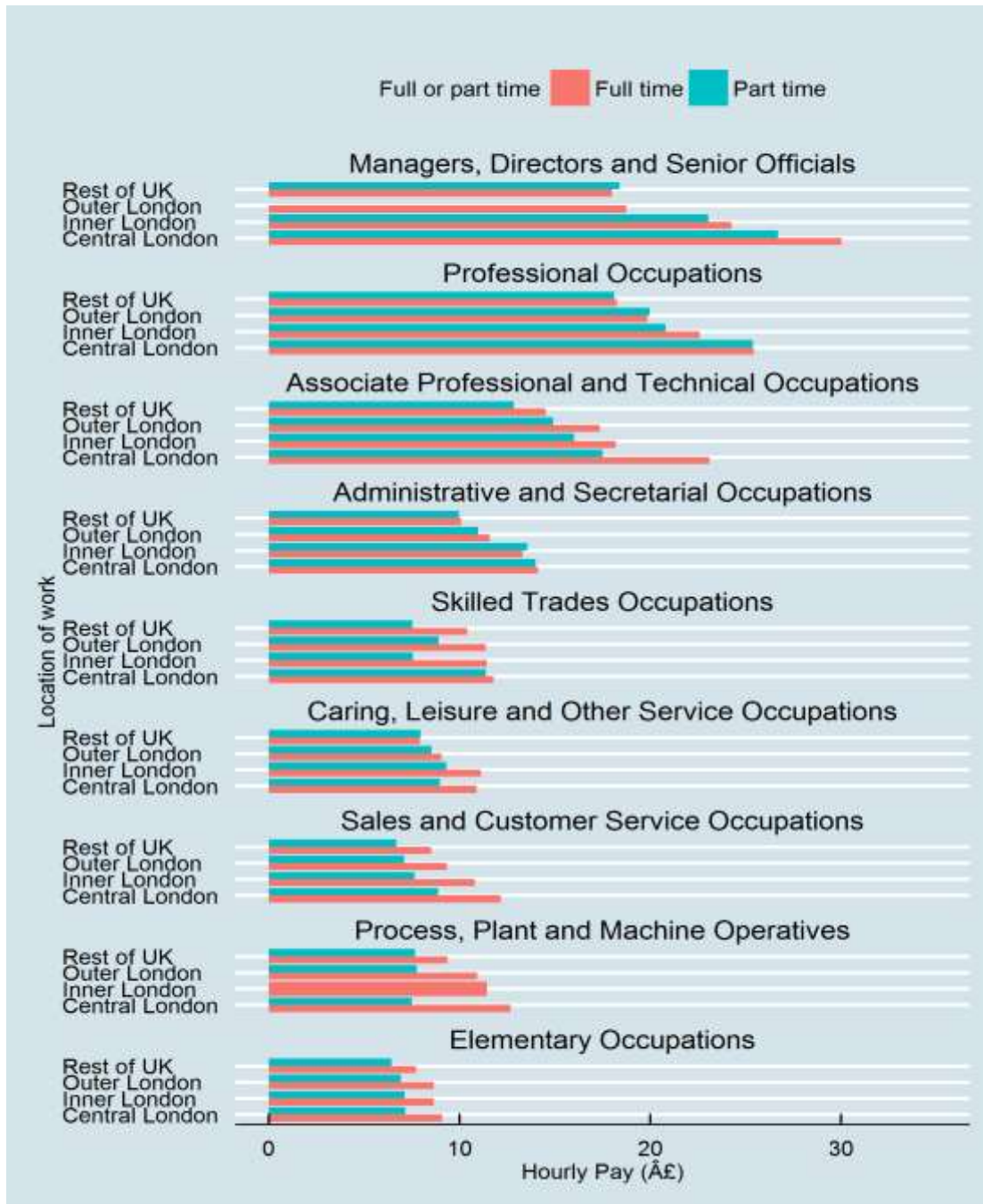


Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

3.3.2 Part-time pay in London

As we might expect, pay per hour in London is higher than it is outside of London across both part-time and full-time workers. The premium for working in Central and Inner London is higher than that for Outer London, see figure 2.10.

Figure 3.10: Part-time and full time pay by occupation across London and the rest of the UK.



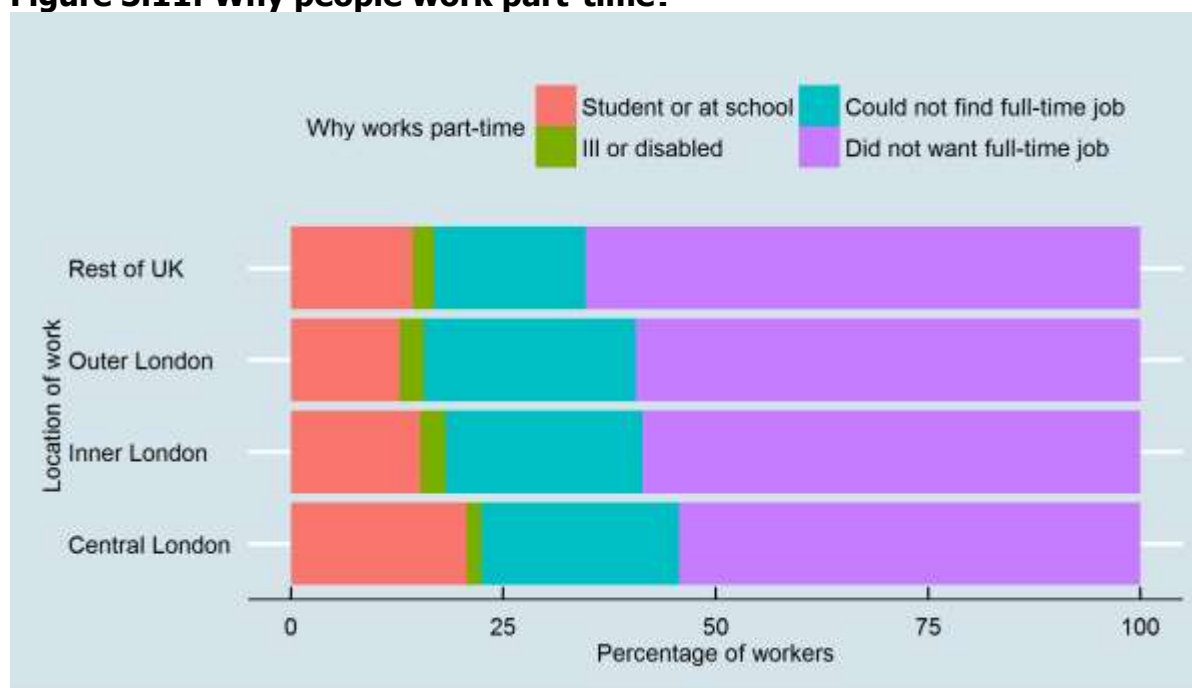
Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

However, there are some interesting trends within these findings. The part-time pay penalty within occupations in the lower skilled occupational groups tends to be higher in Inner and Central London.

3.4 Why do workers work part-time?

Most people who work part-time do so because they did not want a full-time job. However, larger proportions of part-time workers in London are involuntary part-time workers than in the rest of the country. Nearly one in four of all part-time workers (24.1%) in London were involuntary, that is, they were working part-time because they could not find a full-time job. This compares with 17.8% in the rest of the UK. The proportion who are involuntary is highest in Outer London. The proportion who are students is highest in Central London at 20.7%.

Figure 3.11: Why people work part-time?

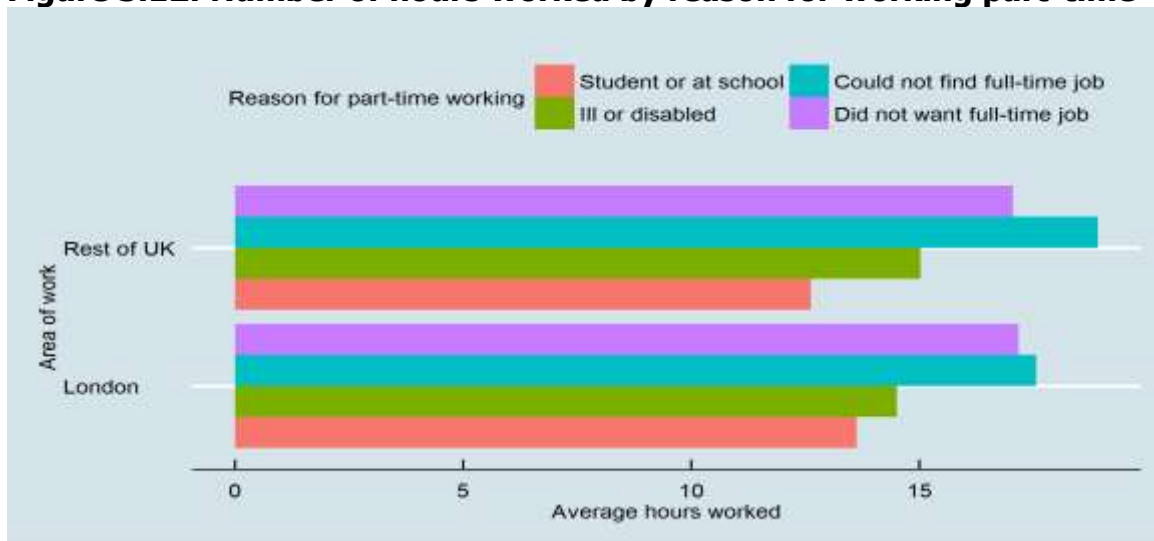


Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

The hours worked by part-time workers varies in line with the given for part-time work, see figure 3.12. In all areas, involuntary part-timers worked the longest hours,

but in the rest of the UK they were able to work for longer than in London. In the rest of the UK, involuntary part-timers worked 18.9 hours on average, compared to 17.6 hours in London. London involuntary part-timers worked only half an hour more than those who did not want full-time jobs. In all cases, students tended to work shorter part-time hours. This may be because the involuntary part-timers in London are less able to “stack jobs”, combine two or more part-time or mini jobs due to challenges associated with combining jobs in the capital.

Figure 3.12: Number of hours worked by reason for working part-time

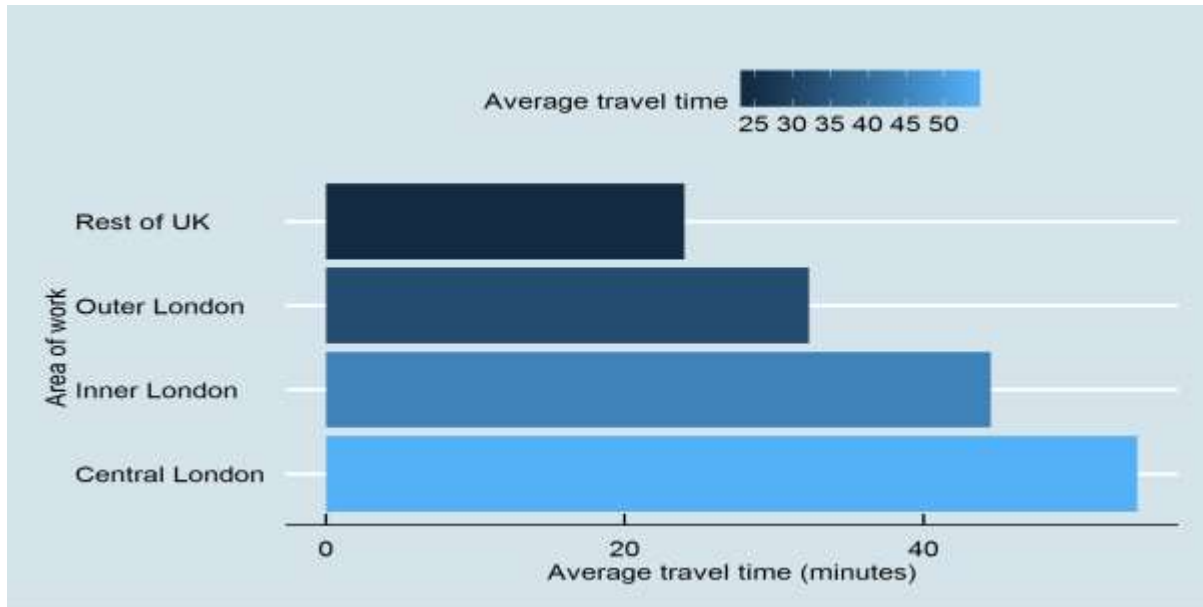


Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

3.5 Travel to work patterns

People who work in London have travel times that are substantially greater than those in the rest of the country, see figure 3.13. The average worker in Central London has a travel time of 54 minutes, compared with workers outside London who travel just 24 minutes to get to work. Workers in Inner London and in Outer London have intermediate travel times

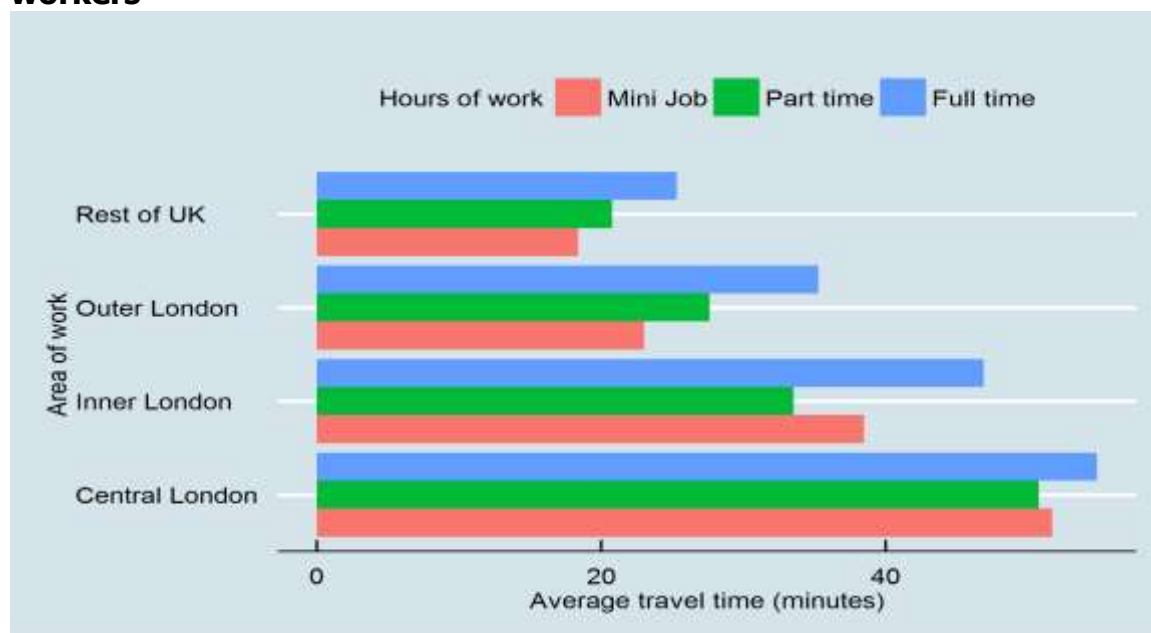
Figure 3.13: Travel to work time



Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

These patterns apply to part-time and mini-job workers as much as to full-time workers. In fact, while part-time (and especially, mini-job) workers have significantly lower travel times in the UK as a whole, this is not the case for Central and Inner London workers with the former facing almost equivalent average travel to work times as full-time workers despite working for fewer hours when at work.

Figure 3.14: Travel to work time for mini-job, part-time and full-time workers



Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

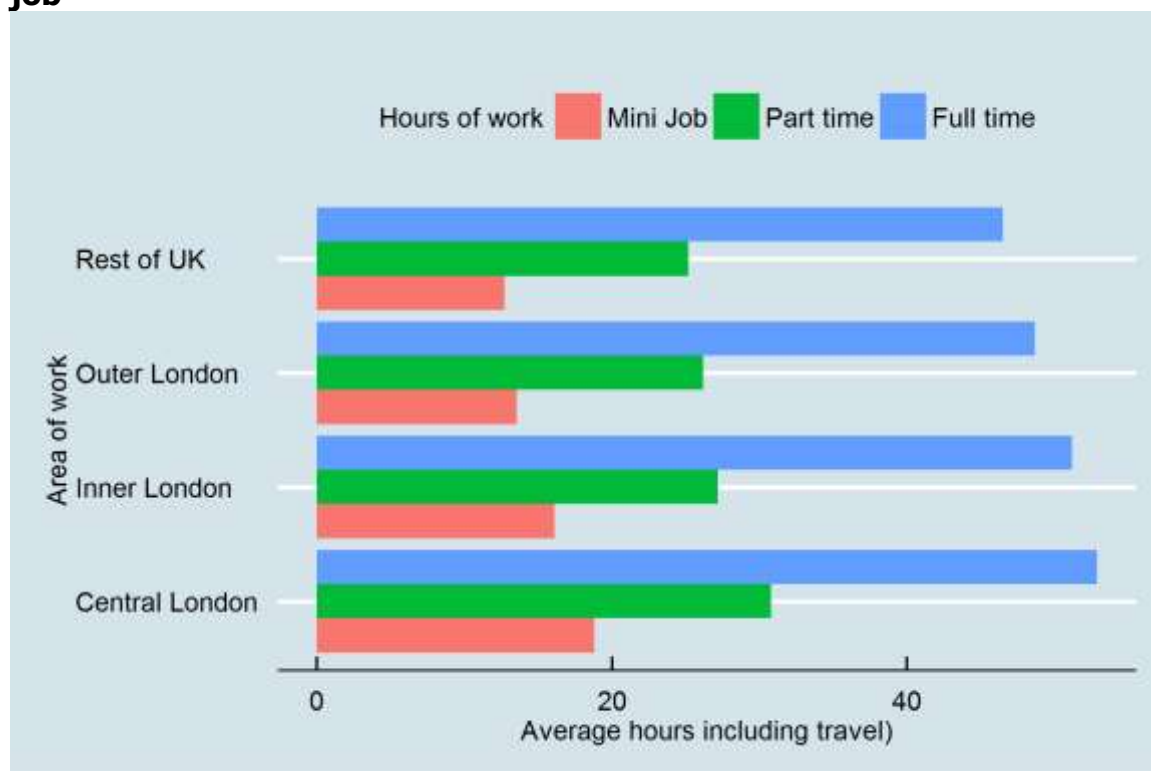
Whilst this finding is intuitive in the context of the London economy (and for Londoners) there are very noticeable differences in work and travel patterns between Inner and Central London and Outer London and the rest of the UK when work and travel time are combined, see figure 3.15.

This is an important issue because it impacts on the use of childcare and what is known as 'trip-chaining'. Trip-chaining involves a parent dropping their child off at school or nursery, then travelling to work, doing their part-time job, then picking their child up after school or nursery.

In the rest of the country, a 16 hour job with average travel time of 21 minutes becomes 19 and a half hours from door to door. This works for the trip-chaining scenario, with some flexibility. For those working in Central London, with a 50 minute average travel time, the 16 hour job turns into a 24 hour and 20 minutes door-to-door trip. This leaves no room for travel difficulties impacting on picking up a child after school, and would therefore require the parents making arrangements to manage when they are late. More importantly, the travel time for a part-time

worker working 16 hours in Central London makes up around half of their total time spent working.

Figure 3.15: Combined travel and work hours by type of job



Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

3.6 Estimating part-time and full-time unemployment

The pay and employment offer to part-time workers is driven, at least in part, by the numbers of people seeking part-time work, and how this compares to the pressures in the labour market for those seeking part-time work. The unemployment rate is the standard measure of the pressure of the unemployed on the labour market, and in particular, on wages and wage inflation.

As we have seen, there is an overlapping group of people who will accept a part-time job but would prefer, or also accept, a full-time job. However, for those where availability for work is restricted to part-time work, the position does differ from those looking for full-time work. We therefore estimate *full-time* and *part-time*

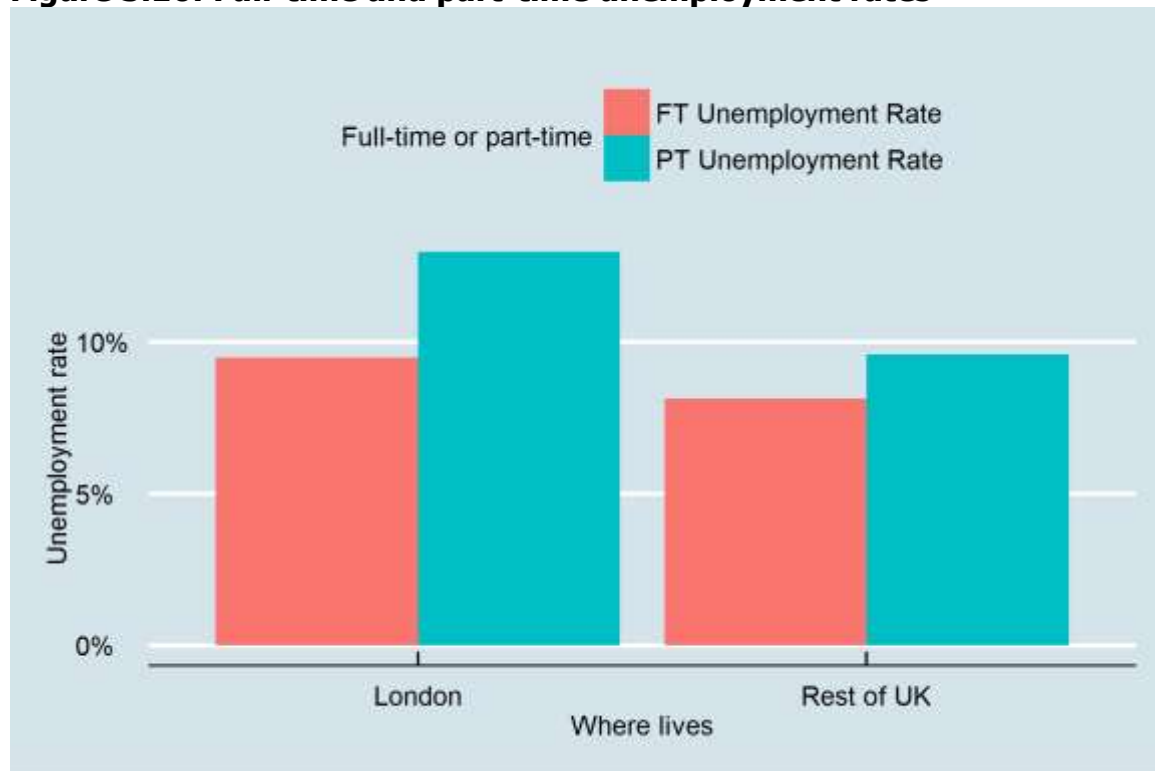
unemployment rates, showing that the pressures in the labour market for both candidates and employers differ.

In estimating unemployment rates for part-time and full-time groups, we have:

- included those with no preference for seeking full-time or part-time work within the *full-time group*, as they have not restricted their search to part-time work suggesting they are available for full-time work.
- relaxed the 'availability' requirement in the ILO unemployment definition so that those seeking work but who may not be able to start within two weeks are included within our definition. This is so that those whose availability constraint is due to childcare can be included (i.e. they are not immediately available to work within 2 weeks because finding childcare within this time frame may be difficult, but would be available to work if a childcare solution could be found). This also, inevitably, includes some students whose availability is constrained by study.

Using these measures we estimate that approximately **30 per cent of the unemployed (on this very slightly wider definition) are seeking part-time work only**, in the UK, just over 810,000, of whom 122,000 live in London.

Figure 3.16: Full-time and part-time unemployment rates



Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

Figure, 3.16 above shows that **part-time unemployment rates in London and the rest of the UK are higher than their equivalent full-time unemployment rates**. However, we envisage that this may actually underestimate the extent of competition for part-time work, especially in London where many full-time workers and students are likely to take part-time work while they wait for a full-time job which our estimate would not capture.

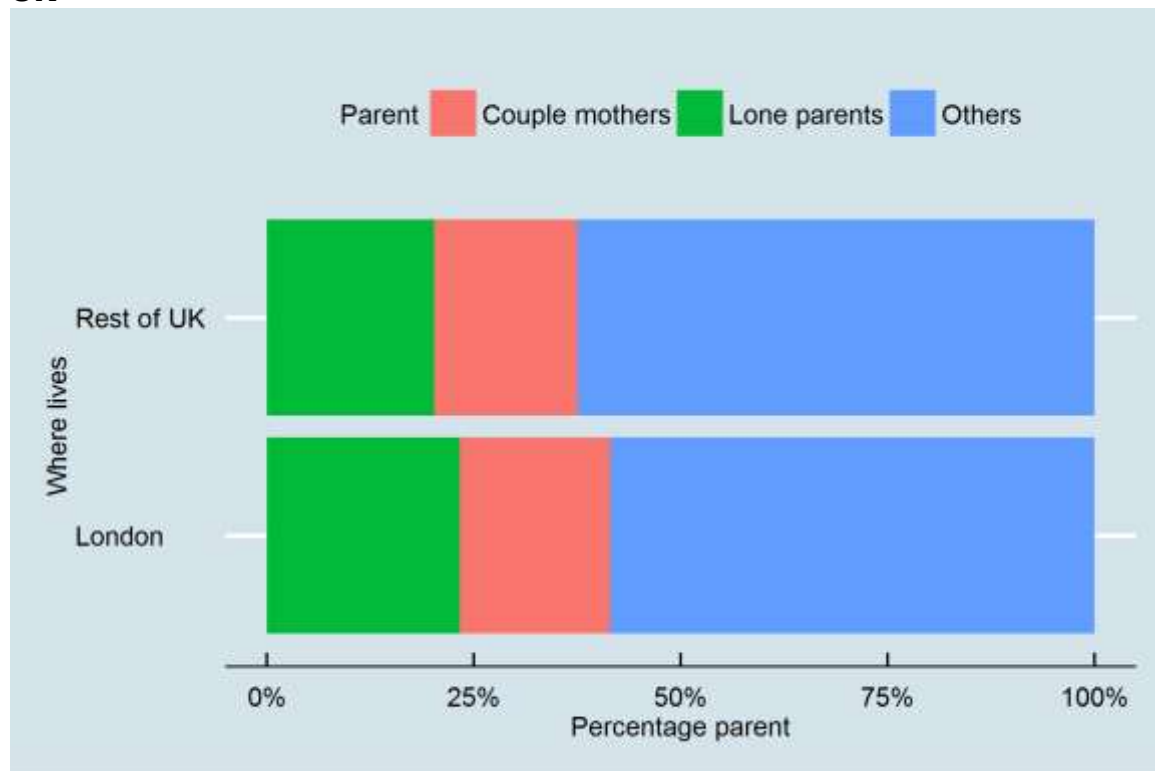
London's part-time unemployment rate is 13 per cent, 3.5 percentage points higher than the full-time unemployment rate of 9.5 per cent. The different between the London rates and those observed in between the equivalent rates in the rest of the UK is more than double.

3.6.1 Who are the part-time unemployed?

The part-time unemployed are composed of two main groups, parents (usually mothers) with dependent children, and students. London has a slightly higher

proportion of students within the part-time unemployed group, which may be a reflection of London's higher female inactivity rate than the rest of the country. London also has a higher proportion of its part-time unemployed who are lone parents which is consistent with previous findings on higher concentrations of lone parent families in the capital than in the rest of the UK.

Figure 3.17: Parent unemployed who are parents or not, London and the UK



Source: Labour Force Survey. Five quarter average from April –June 2011 to April-June 2012

MAYOR OF LONDON

ENTERPRISE PANEL



4 Learning from experience

This chapter focuses on drawing out key experiences from existing part-time work campaigns and employers perspectives on part-time work through a case study approach, before we look in more detail at London's experiences in actioning a public policy campaign that delivered results.

4.1 Case study approach

The use of case studies as part of this research is to complement our findings from the evidence review. In particular, we have focussed on learning from an expert part-time recruitment business, as well as two micro-businesses that have recently utilised part-time workers to understand why they made the decision to hire for part-time roles.

4.1.1A part-time recruitment business - Timewise jobs

Timewise Jobs is a recruitment consultancy launched in April 2012 specialising in part-time employment. It was successfully spun out of Women Like Us, a social enterprise helping mothers return to work, as a means to drive up the number of quality part-time jobs in London. The business follows a conventional recruitment business model, matching labour supply to labour demand, and has a number of different consultants specialising in specific industries and sectors alongside a 'jobs board' advertising part-time opportunities.

The primary business focus is the recruitment of high level, highly skilled and well paid part-time jobs. For example, a quarter of the jobs advertised have a salary of £40,000 FTE and the lower limit a job role can pay is £16,000 FTE. Currently, they have around 31,000 candidates across a variety of ages, both male and female and across different family types. Most candidates are interested in very specific job roles or sectors. Recent internal analysis of candidates found that 70 per cent of people using their jobs board only apply for one or two jobs before finding work.

Demand for part-time work

The success rate of matching part-time vacancies with Timewise jobs candidates is very high. Approximately 8 out of 10 jobs advertised with Timewise jobs recruit a Timewise Jobs candidate. In order to stimulate the demand for part-time jobs, recruitment consultants at Timewise jobs focus on:

- Educating employers on the benefits and debunking myths associated with part-time work;
- Supporting employers in job design by helping to deconstruct jobs roles into tasks and building new roles from the bottom up;

The support employers seek to recruit part-time employees varies depending on the size of the employer and the sector they operate in. For example, larger employers often seek support on job design and the logistics of setting up job shares for senior staff who want to decrease their hours. On the other hand, smaller businesses often look for advice and support on how to recruit part-time employees who have extensive work experience, are highly skilled, but want to work on a part-time basis.

Timewise jobs attribute their early success to the ability to match supply of part-time candidates to the demand for part-time work. They have seen a growing demand for part-time roles amongst the workforce including changing patterns of work (i.e. flexibility, atypical hours) and searching for roles working less than full-time hours. This is increasingly seen as a choice rather than a compromise and has led to growth in the candidate pool. They have also seen a growth in the number of employers, large and small, who are willing to offer flexible and part-time jobs as employers look for more efficient and effective ways of meeting staffing needs and tasks as part of their business.

4.1.2 Case study 2: Z Card

Z Card is a small to medium size marketing company that specialise in compact Pocket Media communication tools. The business has 35 employees, 22 who work in the UK and the remaining employees work across Europe. Z Card is project led and responsive to external clients' targets and demands.

The nature of the business allows the Managing Director to take a flexible approach to employee working hours. Many of the employees do not work 9am to 5pm, and some employees work on a part-time basis. Employees working on a part-time basis have a range of seniority, skills and experience. Within the organisation, part-time employees have the same access to training and development opportunities as full-time staff.

Z Card has designed its part-time roles to complement their business model and have found a number of positive outcomes, including:

- Access to employees who are highly skilled and experienced, that they would not be able to afford on a full-time basis.
- Ability to combine work and learning for younger employees looking to up-skill and gain an employment related qualification whilst working on a part-time basis.
- Meeting fluctuating business demand by relieving pressure in increased business activity and providing extra capacity.

Z Card have found that by removing ambiguity in relation to work and task expectations of full-time and part-time employees has had a positive impact on how they have embedded part-time roles within their operational model. For example, all employees have clear transparent goals and targets. "The key thing is making sure that all staff are happy with having part time members of the work force. If everyone knows clearly what the part-time members do, there is no room for concern that they aren't 'pulling their weight'."

Alongside this, Z Card have understood that the key element in allaying any concerns and issues as to how part-time works within the business is to ensure clear communication about how each part-time role is shared with all full-time employees. Overall, Z Card have benefitted greatly from part-time employment.

4.1.3 Case study 3: The Third Millennium Group

The Third Millennium Group (TMG) is an international publishing company that specialises in illustrated histories and portraits of notable institutions, mainly within the education sector. TMG is a small business, based in London, which has eight employees who work a mixture of full-time and part-time hours.

TMG have recruited to three part-time roles via bespoke part-time job vacancies. The first post was a senior position in the business and designed to meet a specific function on a part-time basis only. As a result, of stripping back the role they were able to make a cost saving and hire somebody with more experience that they might not have been able to afford had it been a full-time role. The second two part-time roles combine to meet the company's customer service needs. The posts are intentionally split to provide more flexible cover in line with how customers were using this service.

TMG have used part-time working for a number of years, and have reaped the benefits, including:

- Increased agility with the ability to increase work capacity flexibly to meet changing business needs.
- Direct cost savings via reduction in salary costs against equivalent full-time posts
- A more loyal and committed workforce, especially amongst part-timers who appreciate the ability to undertake high skilled work that utilises their existing skills sets.
- A better skilled and equipped workforce with the ability to attract candidates that may ordinarily be outside of their salary range or scope.

Overall, using part-time work has provided TMG with the opportunity to be flexible, adaptable and increase capacity to take on more work when necessary. Whilst there are challenges of ensuring part-time staff are satisfied, TMG have outlined that the use of clear boundaries and expectations of staff are essential to ensuring part-time working is successful.

4.1.4 Interpreting the case studies

The case studies support the view that the way individuals and employers perceive part-time work is changing. The emergence of a bespoke part-time recruitment business suggests that there is a demand for quality part-time work, albeit relatively small at present relative to the more conventional idea of work. In relation to labour market policy, one of the most effective ways to increase employment is to increase the labour supply. Bearing this in mind, as we see the growth in the supply of

workers looking exclusively for quality part-time work we might also expect to see a subsequent rise in demand for part-time work amongst employers too. According to Timewise Jobs we are already seeing this rise in supply of part-time workers as their database of 31,000 candidates suggests. However, we remain some way from reaching part-time work's potential.

Our case studies suggests that some firms are beginning to see the business benefits to part-time working and that more intelligent job design can attract a double dividend in terms of cost savings and a more efficient and effective workforce. TMG were a good example of a firm that had actively designed a part-time role to maximise the business returns from that senior hire. Similarly, both firms and the part-time recruitment business empathise that the agility and flexibility that part-time roles offered in terms of meeting fluctuating business demand and enabling their workforces to benefit from combing training and work were important considerations.

However, Timewise jobs was quick to re-iterate that whilst many businesses understood some of these benefits, the majority did not. It is this message that is clear from the literature that we reviewed in chapter two. Certain types of roles still remain closed to individuals actively seeking part-time jobs (somewhat different to individuals looking to reduce hours in existing jobs). Yet, certain sectors already use part-time jobs as a core make up of their staffing needs, such as in retail and hospitality.

4.2 Policy campaign in London

As part of our research, we have also looked at the experience of recent campaigns to achieve desirable pan-London policy objectives in the labour market. This will help us to understand how 'demand' led campaigns work in practice and draw lessons for the development of the Mayor's part-time jobs campaign.

For the purposes of this study, we have used the Mayor's Apprenticeships Campaign as an in-depth case study and previous work looking at marketing campaigns on part-time work for SMEs as examples. We review the key lessons for each below.

4.2.1 Mayor's Apprenticeship Campaign

Background

The Mayor's Apprenticeship Campaign has been widely acclaimed as a positive and successful campaign to increase the number of apprenticeships in London, which had fallen rapidly since London's economy made the transition from a labour intensive economy to one focussed on knowledge and services. Successive Government's have seen the expansion of apprenticeships as a desirable policy objective, especially where they are increasingly employer led provision.

The objective

To reverse the previous London wide trends and tackle the oversupply of candidates for apprenticeship opportunities, which had reached as high as 17 to 1, London government established the Mayor's Apprenticeship Campaign. The campaigns objectives were to:

- Offer more and better apprenticeship opportunities and link them to jobs;
- Increase awareness of the benefits of apprenticeships amongst London employers; and
- Develop a pipeline of apprenticeship opportunities in key target sectors and emerging sectors.

Approach

Analysis by the London partners suggested that many firms failed to recognise how apprenticeships represented an opportunity for their business and that the existing campaigns were poorly targeted and lacked suitable penetration into emerging sectors in London's economy.

The GLA, working in partnership with the National Apprenticeships Service, developed an end-to-end approach account management to increase take up:

- **Stage 1** aimed at qualifying and prioritising employers according to their potential (volume) and suitability (business needs alignment) for placements according to a pre-designed weighting criteria.

- **Stage 2** developed a series of engagement strategies and tactics that were differentiated by sectors and types of employers. Importantly, the engagement with each business/employer was designed to be more explicitly tailored, but drawing on a core engagement template which included a “leave behind” pamphlet/offer.
- **Stage 3** was the action phase and radically redesigned the way in which NAS and the GLA “sold” the apprenticeships offer. This included a series of predetermined phases:
 - *Pre-engagement* involving in-depth research aligned to the specific sector or business and the development of tailored research, materials and pitch preparation. One key product of this stage was the “leave behind” template.
 - *Engagement* involving a clear tailored pitch and value proposition, a report of the discussion and a clear set of actions. This phase is not complete until all actions are fulfilled. Importantly, activities are all captured and reported against in a systematic way.
 - *Follow-up* included ongoing engagement and the production of further materials and the use of other vehicles to engage the organisation including with partners, other businesses, tailored events and where appropriate the Mayor.
 - *Close* was designed to form the basis of the handover operation and capture all activity in a clear single report format. This included feedback, intelligence and any future engagement activity and commitments. At this phase NAS becomes sole account manager.

Results

The Mayor’s campaign has been a major success story and doubled performance in terms of the number of apprenticeship starts during a single year in 2010/11 from

around 20,000 to in excess of 40,000.⁶⁶ Research by the OECD has highlighted this as a best practice example of a public engagement campaign in the skills arena.⁶⁷

Key lessons

There are a number of lessons to draw from the Mayor's Apprenticeship campaign. The first, and arguably most relevant for this study, is the **employer led approach based on the business benefits of the apprenticeships**. Ensuring that these benefits are clearly articulated and understood is of paramount importance. Moreover, ensuring that engagement is focussed and tailored is key. Each "sell" needs to be built around the needs of that individual business and be seen as a product for them, as opposed to a generic offer.

Secondly, **marketing and communications activity is a pre-requisite**. These materials need to focus on creating impact and engagement and be followed up by more bespoke, targeted activity. Importantly, aligning budgets and messaging was a core part of the success of the Mayor's Apprenticeships campaign.

Thirdly, clear **roles, responsibilities, and partnership working with national agencies and the Mayor** became a key part of the success of the scheme. Roles and responsibilities were agreed building on the strengths of each partner organisation and signed off by senior representatives of each organisation. Under this model the GLA and the Mayor's office developed the business engagement strategy and used the influence of the Mayor to open doors that may have otherwise been closed. NAS, as experts on the apprenticeship system, focused on the design of offers and their ability to make connections with the skills system to deliver against these commitments.

Fourthly, **ambitious targets with joint resourcing** became an important part of the performance step change. The targets that were originally developed drew on past performance, but failed to recognise that this was relatively low in relation to London's potential. However, once the step change became clear as a result of the campaign stretching the targets helped focus minds and activity. This was aided by

⁶⁶ LSEO (2011) Apprenticeships on London: where do we go from here?

⁶⁷ OECD (2012) Better Skills, Better Jobs, Better Lives

the ability to align funding on different parts of the campaign including a joint marketing budget to maximise exposure.

Finally, utilising **private sector expertise** as part of this model enabled business relevant messages and engagement activity to be developed in support of the objectives. The GLA drew on private sector experience through secondments in the creation of the strategy, as well as using business champions to run seminars and undertake business-to-business engagement.

4.2.2 Previous marketing campaign on part-time work in London

As part of a previous campaign by the London Child Poverty Commission, a study was commissioned to develop marketing messages to make the case for part-time working in London's SMEs.⁶⁸ This study drew out some consistent messages that could help 'sell' part-time work in London and remain valid as part of this study and marketing messages for part-time work.

The following two messages explicitly encourage employers to think differently about part-time employees:

- **Part time workers** – save money, add value, and are highly committed; and
- **People wanting part-time work** – have hidden depths, with strong experience and real talent.

In line with our research in this report, further messaging was required on the business benefits of part-time work that remained misunderstood. These were:

- **Businesses using part-time workers** – work efficiently, waste less time, and control costs effectively.
- More experience and higher skills for less money is **better for business**

⁶⁸ Gibbons, D (2009) *London Part-time working project*, Inclusion

Recognising that SMEs have different levels of interest in, and experience of, using part-time workers, it is necessary to present further information beneath each of these headline messages in three different 'tones of voice'. These are:

- **Educating and raising awareness** –presenting facts and examples is important and gets attention. For example, SME's in the study were interested in the amount of cost savings that could accrue from using part-time staff over two years, and in the potential increase in productivity in certain types of job that can be gained from part-time workers;
- **Challenging** people to think differently about part-time workers. For example, by presenting case studies of highly skilled, and senior, part-time workers
- **Convincing** employers that part-time working is practical for their business and is best done by other employers. Providing case studies or ambassadors from other businesses engaged in the same types of activity is more likely to get the message across and persuade SMEs to consider it for themselves.

5 A framework for driving up part-time work in London

This final chapter pulls together our combined evidence to inform a framework for driving up part-time work in London between now and the end of the current Mayoral term. It offers a series of recommendations to the Mayor of London and the London Enterprise Panel's Skills and Employment Working Group to help achieve this objective.

5.1 Scope of this study

This study builds on the Mayor's manifesto commitment to create 20,000 additional part-time jobs in London by 2016 by:

- Enhancing the evidence base on part-time work, including through a literature review, refreshed statistical analysis and discussions with experts; and
- Offering advice on a series of recommendations to help define and deliver this campaign.

Importantly, the scope of this work does not include revisiting the underlying target that was set by the Mayor's team prior to his re-election. This number was derived following a combination of analysis drawing on economic, political and budgetary perspectives. It has now become a clear political deliverable in this mayoral term and changing it up or down would be difficult.

5.2 Our initial assessment

The evidence we have reviewed suggests that the Mayor was correct to identify part-time work as an area of policy worth further exploration and there is a clear case for policy intervention at a London level.

In determining the most appropriate interventions to stimulate part-time work, it is important that London stakeholders recognise where their collective action can have

the greatest impact. Similarly, the Mayor and London partners are not operating in isolation. A series of initiatives are currently underway at a national tier with similar aims to those articulated by the Mayor in his manifesto. Where these exist, it makes sense to align them, as well as building on experiences in delivering public policy goals in London, including the Mayor's success in driving up apprenticeships.

5.2.1 Supply or demand side intervention

Historically efforts to increase part-time work have tended to focus on supply side measures. However, the Coalition Government is currently partway through a major reform of the tax and benefit system, through the introduction of the Universal Credit (UC), that is intended to make work pay and is expected to be particularly successful in incentivising part-time work and mini-jobs (less than 16 hours). This implies that any London-wide reform is unlikely to have any major additional impact beyond what we might see as a result of the introduction of the UC on the supply side. Moreover, the Government has also recently rolled out its flagship welfare-to-work scheme, the Work Programme, and it is too early to determine whether this is working or not. This implies supply side interventions are already underway and any additional focus would offer little value added and possibly confuse the current reform programme.

This is not the case for demand side measures. The evidence, complemented by our discussions with experts, suggests that too many employers have yet to see the benefits associated with part-time work, particularly in the job design process. The clear gap in quality part-time jobs is very noticeable at both a London and Central London level. This indicates that there is potential to look at ways to stimulate demand for part-time work with an explicit focus on employers.

This type of focus, namely driving up demand amongst employers, has been successful previously in London. There are clear synergies between a part-time jobs campaign and other business engagement campaigns designed in London and by the Mayor. For instance, the Mayor's success at driving up apprenticeships in London offers valuable learning in how to run successful business focussed campaigns.

Recommendation 1: Analysis highlights a gap in demand-side stimulation and "selling the business case" for part-time work. The Mayor and London partners have a strong history of delivering this type of campaign effectively

and should develop a part-time jobs campaign building on the success of the Mayor's Apprenticeship campaign.

5.2.2 Targeted approach to the campaign

Our analysis, in chapters two and three, points to significant gaps in the type of part-time occupations that are available in London, as well as where they are located in London. We identify a lack of higher skilled part-time occupations, particularly in Inner and Central London. These occupations and central London locations explain the gap between London and the UK and we can find no economic evidence to explain the extent of the gap. **This implies that the part-time labour market at this level in London may not be functioning optimally.**

A focus on quality part-time jobs, as opposed to all part-time jobs also enables the campaign to increase higher value-added employment in London and potentially opens up opportunities to better utilise the skills of returning workers, as well as potentially reducing some of the competitive pressures in London's entry-level jobs market. In terms of this work, we recommend that quality is defined as jobs paying in excess of £20,000 FTE in line with previous studies in London and the UK.

***Recommendation 2 a):** Our analysis points to a shortfall in quality part-time jobs in Central London driving the difference between London and UK figures. A targeted intervention aimed at sectors and occupations in Central and Inner London is likely to be more effective in the first instance.*

Furthermore, it is important that this campaign target its efforts on adding value to London's economy. The lack of differentiation between the types of part-time jobs created under this campaign may lead to the creation of part-time jobs that are economically or socially undesirable. For instance, since the recession we have seen part-time employment increase on involuntary measures.

***Recommendation 2 b):** We recommend that part-time jobs captured under this campaign be focussed on **voluntary part-time roles only** to maximise their economic and social impact.*

A targeted approach along the lines will aid the roll out of the campaign in the first instance and enable an early assessment on its likely longer-term success.

5.3 Building on what works

5.3.1 Existing work and direction of travel

Our review of the evidence and interviews with key stakeholders supports the view that activity is beginning to pick up in this field, albeit at currently limited scale. At a national level, a series of campaigns and debates have begun to help stimulate the direction of travel. Moreover, the recent emergence of Timewise jobs, a private sector recruitment company specialising in part-time recruitment, suggests that demand is beginning to pick up, but these measures have yet to reach a critical mass.

Furthermore, Timewise Jobs recent literature on Power Part-Timers⁶⁹ has begun to make the case for quality part-time work, as well as providing a series of powerful case studies on high powered, successful senior part-time workers to bust the myths that part-time employees are not able to operate at senior levels. This messaging has been well received although it is still too early to quantify its success. Despite this, building on these networks and messages seems sensible as part of a targeted local campaign in London.

Recommendation 3 a): *Aligning messaging with national and private sector messages, such as Power Part-Timers, will help build on existing activity and ensure consistency and appropriate messaging.*

Recommendation 3 b): *A series of organisations and businesses are in the process of developing a national strap line for a renewed push on the business benefits of part-time work and we recommend that the Mayor's campaign utilise this early work as part of his campaign in London.*

Our reading of the evidence suggests that the use of business-to-business engagement and champion networks are the routes that businesses trust. Continuing to use these methods is sensible. This should be combined with clear targeting of key sector leaders, from an individual and business perspective, to help drive up penetration within firms and across sectors.

⁶⁹ <http://www.timewisejobs.co.uk/staticpages/11000/revealed-the-uk-s-power-part-time-top-50/>

Recommendation 4: *Develop a series of business champions and network leads to sell the business benefits of part-time work with an explicit focus on targeting **high profile individual champions** within firms and sectors, as well as **leading business organisations** who are perceived as industry leaders and whose models are used as best practice examples.*

5.3.2 Policy campaigns that work in London

We have already seen some useful examples of how London-wide policy objectives can be met through partnership working across the public, private and voluntary sector, such as the London Living wage. The most relevant example for this study is the Mayor's work in driving up apprenticeships.

This experience has three key lessons for the development of a campaign in London:

- **Mayor has catalytic effect.** The Mayor can act as a focal point for successful campaigns and provide the catalyst for effective partnership working and joint resourcing. His personal brand is a powerful driver for business, but only if the existing offer is developed.
- **You don't get much without investment.** The intended basis of the campaign is driven around the assumption that marketing and engagement activity will increase take up and demand amongst firms for part-time jobs. However, to drive interest and take-up an effective campaign will require investment and materials. Given a wide number of partners are engaged in this area of work thought should be given to developing a joint resourcing strategy across key London partners to fund the part-time jobs campaign that combines public, private and voluntary sector funding where appropriate.
- **Hidden wiring is essential, but is currently limited.** The Mayor's apprenticeship campaign was successful because it created the interest in apprenticeships and was able to action and deliver against its promises through a well developed "hidden" infrastructure. The current infrastructure to support part-time jobs is incomplete. Further work will be required to develop and decide on the best mix for delivering this campaign.

Recommendation 5: *The Mayor and the Skills and Employment Working Group should heed the lessons of their previous work in driving up take up of public policy goals. We recommend:*

***a):** The Mayor is associated with the part-time jobs campaign and has a clearly defined role in order to maximise its effectiveness. In addition, the GLA could convene a strategic group to design a delivery and engagement strategy, drawing on existing expertise and businesses, for the campaign.*

***b):** The success of the campaign will hinge on its ability to develop a compelling narrative, business case and messages on part-time work. This should be supported by financial investment by the GLA as part of a joint resourcing strategy drawing on public, private and voluntary sector funding and experience.*

***c):** Further thought is given to the infrastructure to support part-time jobs in London. We would advocate for a mixed approach that combines clear and shared messaging and independent information on job design, business benefits (presented in an accessible way), alongside a delivery infrastructure that is more organic and builds on what currently exists, such as recruitment firms, back-to-work providers/Jobcentre Plus, Sector Skills Councils, trade associations amongst others.*

Despite some positive messages on what does work in terms of public policy campaigns, there remains a clear trade off between different business engagement offers from the public sector. Whilst in theory a “single offer” may seem like a sensible approach it does risk messages becoming too generic and different schemes becoming confused or misunderstood. We believe that part-time work requires a separate differentiated marketing message from other public sector schemes, but is seen as part of a wider suite of business engagement activity by the Mayor (potentially jointly branded).

Recommendation 6: The Mayor and the Skills and Employment Working Group develop a separate marketing campaign that sits outside other public sector offers in order to differentiate it and ensure the initial target can be achieved.