Flexibility should never be a wage issue

By Jochem de Boer

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Flexible work provides benefits for both companies and people. It affords each party the opportunity to grow by enabling them to allocate their time, resources and energy to those things that they really enjoy and value.

Unfortunately there is one challenge with flexibility: this form of work is often inadequately regulated, abused and regarded as cheap. As a result those involved in flexibility - workers and businesses - often make lower wages and lower margins - not least because governments and unions develop or maintain incentives against flexible working or because pop-up companies define their service solely based on price rather than on quality and innovation for their clients. This is clearly not sustainable. It is unacceptable that those who choose to work flexibly should be punished for doing so.

Wherever we look around the world, regulations favour labour market rigidity. This increasingly serves vested, conservative labour unions rather than the labour force as a whole. For flexible workers these regulations include thresholds to social security (allowing different payment levels based on the length of contract), unbalanced collective bargaining, limited access to training and often blatantly lower pay. Such rules are all too often justified with the excuse that a temporary job is not a "real" job, or that it is a "side" job and hence not worth a real wage, social security or training. Other arguments used are that workers in century-old, golden cages feel threatened by those willing to work in flexible new ways; or – and the most outrageous and misguided of all - that temporary work is a placeholder for women while they wait to give birth, rather than a means to combine work with other responsibilities for both women and men alike.

These outmoded rules and justifications have allowed short-sighted business models to present flexible work as a way to cut labour costs rather than as a way to provide greater agility and choice for everyone involved. Based on this premise the market for added-value

flexible providers is being squeezed and set on a downward spiral of decreasing margins, quality and innovation. But who can blame them if labour laws are set up to enable this behaviour? Whatever moral or economic stance people may take on this issue, the bottom line is that it undermines the market for flexibility for flexibility's sake and prevents people from entering the labour market on a temporary basis as it simply doesn't pay enough to make economic sense.

We need to break this vicious circle. Just as with nationality, gender, ethnicity and age, the length of one's contract should never be grounds for justifying lower wages or benefits. Governments and unions should abandon their idle policies of trying to squish workers into a one-size-fits-all model and punishing those who opt-out from the model with decreased wages and levels of social protection. The world has changed and our approach to work needs to change with it. Making this a reality will involve a radical reform of existing rules and regulations as well as confronting the privileges of workers on open-ended contracts.

Obviously, this is not a message that all HR and procurement managers will want to hear. Yet, if adjustments are required in order to align salary packages with production, the idea of taking those wage discussions to an HR provider is inherently flawed. These types of discussion should take place between the employer and the employee - with or without the support of their representatives. This would then free-up HR professionals to create efficiencies and savings through a more efficient deployment and organisation of work. By addressing the unfair compensation and rights of flexible work, we will allow it to play its true role of enabling work for all.

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