



**South Dublin
CHAMBER**
IN BUSINESS FOR BUSINESS

South Dublin Chamber response to the Consultation Document from the University of Limerick Study on the Prevalence of Zero Hour Contracts and Low Hour Contracts in the Irish Economy.

Date: 22th December 2015

General Comments:

The report is both detailed and constructive and we take its findings as an accurate representation of the current employment situation for part time workers.

With respect to the recommendations we are generally positive as the South Dublin Chamber fully supports the employment protection of all workers including part time workers.

However we would like to comment on specific sections of the recommendations, in particular as they apply to the SME sector. In south Dublin 70% of businesses have 10 or less employees.

Ref; Economic Profile Survey, Business in South Dublin 2014, South Dublin Chamber and South Dublin County Council.

Some of these businesses are family owned who employ additional staff. The SME sector has been identified as having the potential to be an engine of growth in the economy.

'Employment regulation. We will ensure that Ireland continues to create the environment for quality jobs, enabling flexibility without exploitation, and that we have a responsive regulatory environment that remains attuned to changing work organisation and society over the coming decade.'

Ref: Enterprise 2025, Ireland's enterprise policy 2015-2025 from DJEI.

Any proposed changes to legislation should take into consideration the difficulties that additional legislative and organisational changes impose on small businesses. The flexibility and adaptability required by small businesses to increase market share, drive exports or lead start-ups cannot be overstated. The business environment is changing fast and employment requirements are also changing for both the employer and the employee.

Please see below our response to sections of the recommendations contained in the report.

2. We recommend that the Terms of Employment Information Acts 1994 to 2012 be amended to require employers to provide a statement of working hours which are a true reflection of the hours required of an employee. This requirement should also apply to people working non-guaranteed hours.

South Dublin Chamber in association with South Dublin County Council undertook a detailed economic profile survey in 2014 covering 4500 businesses under the sustainable business initiative. Retailing is the most significant sector with over 36% of businesses identified in this category. The survey also identified that the micro-enterprise sector is very significant in South Dublin with 70% of

businesses employing 10 people or less. Employees can be permanent or part time. In addition at times of increased business activity additional workers are employed.

The chamber is in agreement with the principle that employees be given a statement of the Terms and Conditions of Employment, however the statement 'a true reflection of the hours required of an employee' can be extremely difficult to quantify. The implication is that employers always know in advance the level of business activity expected and hence the number of working hours required.

The nature of many businesses is that a quick reaction to changing events is required and hence some degree of working hour's flexibility is essential. The term 'true reflection' is therefore difficult to quantify in all circumstances.

4.i. For employees with no guaranteed hours of work, the mean number of hours worked in the previous 6 months (from the date of first hire or from the date of enacting legislation) will be taken to be the minimum number of hours stipulated in the contract of employment.

This we believe would create a too rigid structure in that variances in business activity, loss of market share or new market gains would necessitate a variable working hours requirement for the business, which is not reflective in a retrospective 6 month time period. Constant reassessment would therefore be the norm. Employees would see a minimum number of hours at the norm regardless of the business cycle. This applies to 'IF and When' contracts also. In general the indirect implication may be to reduce the number of part time employees due to the increased organisational requirements adhering to the proposed act.

4.iv. Where after 6 months an employee is provided with guaranteed minimum hours of work as per subsection (i) and (ii), but is contractually required to be available for additional hours, the employee should be compensated where they are not required by an employer in a week. The employee should be compensated for 25% of the additional hours for which they have to be available or for 15 hours, whichever is less.

We believe that if this proposal were introduced then an employee should only be entitled to compensation if extra work is cancelled with one day's notice, otherwise it will not allow for normal business interruptions.

5. We recommend that an employer shall give notice of at least 72 hours to an employee (and those with non-guaranteed hours) of any request to undertake any hours of work, unless there are exceptional and unforeseeable circumstances. If the individual accepts working hours without the minimum notice, the employer will pay them 150% of the rate they would be paid for the period in question.

A requirement for SME normal business activity is a fast response to customer needs and to changing business activity. This is over and above the normal business cycle. A business that cannot adapt will not prosper or even survive. It is evident that the most adaptable and innovative businesses are the ones leading the way in job creation. In the training survey undertaken by South Dublin Chamber in association with South Dublin County Council and the Local Enterprise Office LEO in 2015, 40% of businesses indicated that they intended to take on additional staff in the coming year. This is a positive development and must be encouraged. Businesses tell us that 72 hours in a business week is a long time. A reduced time period should be considered.

6. We recommend that an employer shall give notice of cancellation of working hours already agreed to employees (and those with non-guaranteed hours) of not less than 72 hours. Employees

who do not receive the minimum notice shall be entitled to be paid their normal rate of pay for the period of employment scheduled.

The same argument as in point 5 applies. A reduced period of time should be considered.

Conclusion:

In conclusion South Dublin Chamber is in regular contact with its member's and the wider business community. In particular the concerns of the SME sector is of particular importance as it is both a major employer currently and a source of potential employment going forward. As discussed South Dublin Chamber in association with South Dublin County Council and the Local Enterprise Office LEO conducted an extensive survey with 4500 businesses in 2014 and followed up with a specific training survey in 2015. In addition focus groups were run and employment outlook and training needs identified. While the outlook is positive, businesses require flexibility, adaptability and innovation to succeed. This applies to the labour market. South Dublin Chamber fully supports legislative protection for all the workforce, however care must be taken not to generate unintended negative consequences. We have outlined our concerns in selected parts of the report's recommendations.

We have argued that the small business unit has the potential to be the most effected by the proposed changes. Larger companies have the organisational capacity to adept and the structures in place to accommodate legislative change. This is not in the reserve of smaller businesses, innovative start-up businesses or export led businesses where constant change is the norm.

If securing and growing employment is made too complicated or too bureaucratic then the growth in employment will be curtailed.