
QUESTION 2

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Question 2

Deliveroo is the organization selected. Currently, the labour market of the United Kingdom has witnessed a considerable increase in employment almost by a significant number of approximately 32.90 million towards the end of the previous year. It has been reported that there has been reduced unemployment greatly from 7000 to 1.31 million. The unemployment rate has been unchanged and has remained static to 3.8%. Unemployment has fallen long-term unemployment. The past few years have not been too good for the business. Apart from this, the growth has been upwards, and the total income has been higher than the productivity of the firm (Guest and Clinton, 2017).

From 2013 to 2019, the employees that worked on zero-hours have increased employment with a significant increase by 0.8 percentage to 2.7% (Guest and Clinton, 2017).

Performance in the United Kingdom's labour market is robust. According to statistics, the market has been healthy. In the previous year, employment increased as the economic inactivity reduced as unemployment decreased. This has made things to become competent, and the uncertainty has become reduced.

Through increases in the gig economy, the labour force has characterized it into the freelancing and not permanent jobs that are conventionally performed by the majority of people. Because of the IT evolution work has become more comfortable and the flexible work has been replaced by several other business models like Uber and Deliveroo. The gig economy has taken over the traditional workplace, and this has been a significant increase in employment rare. Also, all such platforms should have to follow the UK employment law so that all the things are proper (Guest and Clinton, 2017)

Gig economy requires employees. Previously the market was unstable, and this made things difficult to be maintained thus they have casual employees that were commonly known as the casual worker also the ones were known as seasonal employees that the firm hired during the peak season. These were also known as minimum or short-hours contracts (Blyton and Morris, 2017). Apart from this, the causal workers did not fulfil the criteria of the permanent employees and were not provided with the benefits as them.

Gig economy prefers to be known as self-employed instead of being hired by firms. In this way, they will provide their services on their terms and conditions to the ones that are seeking (Blyton and Morris, 2017). People have confusion over this model of working, and this has made a significant issue being stirred across the corporate sector as some think that they are more protected. Some believe that there is no use of being self-employed. Also, such an individual is not given any benefits as the employees of a particular company.

There are certain cases where the independent contractors have said that they are equal to the permanent employee and have job security like them (Freeland et al., 2016). Also, the benefits are provided to them. This is important to note that there is a various business that includes concerned couriers, transportation companies and other workers (Freeland et al., 2016). Different companies decide before the work has started the salary and other terms and conditions that are an essential part of the contract. Therefore as the employees have

agreed to the deal; consequently they have to admit to whatever the employer wants them to do and make sure that they are providing the work as per the requirements of the employer.

In the UK gig economy is booming and have witnessed a significant increase over the passage of a few years according to the statistics, 4.7 million employers have increased.

Types of employment contracts explained.

Full-time contracts

A full-time contract is the most typical type of employment contract.

In general, the contracts are given to permanent positions, and either they are based on salaries or hourly wages. Also, the agreement states that how many off will the employee get and whether they will be paid or unpaid entitlements, even the benefit that the person will get are mentioned, and the Statutory Sick Pay (SSP) is a part of it (Hakanen et al., 2019)

Also, these people are not working on completing the minimum working hours they are completing the work so that they can get paid. According to a report, a person working on an average works around 40 hours in a week.

PART-TIME CONTRACTS

It is essential to understand that a part-time worker has lesser working hours when compared to a full-time employee (Hakanen et al., 2019).

Also, they work on permanent positions, and they also want some requisites that are a part of the permanent employee's contract. Also, the contract should have the time of working and the hours that they will work in an entire week. Apart from this, things should be able to work in overtime as per their wish.

The employees should get full benefits, and such employment includes a flexible schedule of working. They are working as per their wish so that they can work in a better way and make things easier for them.

FIXED-TERM CONTRACTS

Fixed-term contracts are working for a certain period, and the requirements are the ones that are agreed in advance (Hakanen et al., 2019).

Some instances, the fixed-term contracts are the ones that are not of a particular time period, but they finish as the work is done (Sanders, 2018).

Fixed-term employees have the same benefit as the permanent employees get. Also, the contract is agreed upon mutually. Also, they get holidays as per the timeframe they are working on.

Depending on the work, the individual's performance the contracts can get extended as per the wish of the employer.

Temporary contracts

Temporary contracts are the ones that are offered when a deal is never expected to get permanent (Sanders, 2018).

Such contracts end on a specific date that has been decided upon, but these are subject to change. Also, if there is a great need, the agreements may get longer.

Temporary workers are present for a short-term status, but still, they are given certain benefits that are meant for the temporary employees that are the flexibility to work.

AGENCY CONTRACTS

Agency staff are provided with contracts that have been formulated as per the requisites and the mutual consent of the firm (Sanders, 2018).

The work is carried out for a particular period, and the contract can extend depending on the nature of the work and the demand.

The agencies are responsible for guaranteeing the protection of labour rights in the firm. Apart from this, the Statutory Sick Pay is also given to the employees by the firm they are working for.

Freelancers and contractors

These are the type that may differ according to the level. Freelance and contracted basis are the contracts that are not same in every case (Sanders, 2018).

But the employees that are providing their services are not considered to be working for a firm but are known to be self-employed (Collins, 2018). Their contracts carry the dates and other such necessary and relevant information like the wages that have been agreed on etc.

Freelance contract people should be provided with the equal benefits that are presented to the employees that are working for the firm permanently. Also, specific terms are agreed upon mutually.

ZERO-HOUR CONTRACTS

These are termed as a casual contract, zero-hour workers are there to provide services only when there is a particular need (Collins, 2018).

Also, there are no obligations in the firm to provide them with benefits and a certain amount every month. They are asked to work only; then, they offer their services (Collins, 2018).

But the zero-hour workers are given a particular day of leave as a part of their contract so that they remain intact with the firm, apart from this they are also given some amount.

Employees that have a zero-hour contract are not bound to only be a part of a single firm; they have the permission to seek work from elsewhere. The United Kingdom's market has changed over the past few years, and this has caused many things to change drastically (2010 to 2019). The changes have caused a stir among the people and the employees of many companies (Cruz et al., 2017).

For ten years, the standards of working have changed, and they have caused the employers to apply the Employment laws so that the workers are provided protection, and they are paid as per the rules otherwise the firm will be under the scanner of the law enforcement agencies.

Zero- hour employment has caused a significant increase in the development of the people and a great downfall in the unemployment that has worked well for the UK (Cruz et al., 2017). The experts are doing their best to provide benefits to the zero-hour workers across the United Kingdom.

Employment contracts are considered as an essential part of the employee's career, and they should be agreed upon mutually by the employee and the employer both. Also, they are considered to be the best when they are in favour of both parties. Also, the data of the employee should be kept private and confidential even after the term of work has ended.

ADVANTAGES OF EMPLOYMENT CONTRACTS TO BOTH EMPLOYERS AND EMPLOYEES

There are several advantages of the employment mentioned above contracts to both the parties; let us have a look.

- **Length of Employment.** Through the agreement, the length of the term is specified. Moreover, the working period of the employee is defined in the contract (Reuter et al., 2019).
- **Salary.** Through the agreement, the pay scale of the employee is defined. Moreover, the agreement also sets the times of payment. Also, the deductions from the employer's salary are limited. Also, the deal provides any other important particular as well.

- **Fringe benefits.** Fringe benefits can be defined as the benefits that are given apart from the wages. Common fringe benefits include other medical facilities that are provided to the person and the things that are submitted after retirement. Also, other benefits that include expenses (Reuter et al., 2019).
- **Promotion.** Through a contract the time period after when the person will provide information about the developments of the employee.
- **Resolution of Disputes.** The employment agreement provides information about how the disputes will be handled. There are a number of ways through which the problems can be resolved, and these are written in the contract. This is done to make sure that all the employees are aware of how negotiation takes place.
- **Non-disparagement** Employment agreement binds an employee to agree to not speak against the employer in any case. This provides employees with a considerable amount of benefits.

DISADVANTAGES OF EMPLOYMENT CONTRACTS TO BOTH EMPLOYERS AND EMPLOYEES

Apart from the advantages, there are disadvantages related to the employment agreement to both the employer and employee (Reuter et al., 2019). The deal is changed as per the renegotiation. To renegotiate both the parties sit together and decide the points of agreement mutually.

A significant disadvantage believed to be from the employment agreement is to both parties, the employee and the employer. Therefore all the points are decided mutually so that no problem will cause trouble. Let's have a look at certain disadvantages below.

- Both the participating parties are bound towards the contract.
- If it is needed to change any part of the contract, then renegotiation should take place. Both parties should mutually decide the plan.
- The contract states that the firm should have good faith and must be fair.
- Termination of the contract should take place through making sure that the employer's right of terminating the worker is taken. And the guidelines should be followed appropriately to make sure that all the things are steady and no problem is causing issues for both the employee and the employer. Therefore all the items should be carried out carefully to make sure that there are no issues (Fontinha et al., 2018).
- Any change that occurs in the firm before the term of the agreement is completed, then the organization is liable to a financial penalty.
- Making a legal contract will require to take the services of a licensed professional, and this will need the firm to pay the legal fees. The agreement is a legal contract between both the participants, and this should be assured that all the things should be followed as per the rules and regulations.

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