

Working arrangements

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In the past large sections of the workforce worked on full-time permanent contracts. This was typical of most large British companies. Since the 1980's however, we have seen the development of a range of flexible arrangements. Typically modern workforces are split into three main groups:

1. **Core workers.** These are full-time employees. They are well paid but many work long hours. They are termed core workers because they are at the heart of the organisation doing many of the important jobs on which the continuity of the business depends.

2. **Peripheral workers.** These are part-time and other workers with flexible working arrangements who are on the payroll of a company. There are a substantial number of women on part-time contracts. In addition there are increasing numbers of men working part-time. They do not enjoy the same sort of [job security](#) as full-time employees.

3. **External workers.** External workers do not work directly for a company. Typically they are contract workers working for outside contractors and consultants. They may enjoy very good rates of remuneration but their contracts are only for a limited length of time or for a specific contract.

By increasing numbers of peripheral workers and external workers firms have been able to reduce their core wage bill. This cost cutting exercise enables them to be more competitive. There is a substantial advantage to be had from reducing the wage bill and to focus on the core workers of the business.

Core workers

However, on the downside, in some businesses this leads to increasing pressure on core workers. Motivation may also be threatened because peripheral and external workers will not have the same degree of loyalty as core workers. Additionally, with a shrinking core workforce, core workers themselves may feel that their jobs are under threat and therefore may not be as loyal or as motivated as with a larger core workforce.