

How to unfurlough Britain



Over six million people, approximately a quarter of the UK's total workforce, have been furloughed since the introduction of the [Job Retention Scheme](#) on 25 March, designed to keep businesses afloat and stem mass redundancies. A Chartered Institute of Personnel and Development (CIPD) [survey](#) indicated that over half of employees who had been furloughed would otherwise have been made redundant. As the government prepares to wind down the scheme, the Institute for the Future of Work has [interviewed furloughed workers](#) to explore their experiences and the effects of furloughing not captured by the statistics.

Furloughing has transformed working lives across the country. From creative ideas about skill sharing and support for the transformation of business models, to new ways of communicating, to our sense of identity, the way in which furloughing is being experienced has varied hugely. But whatever experience people have had, workers are increasingly keen to return to work, so long as it's good work, whether it's in existing, changed or new jobs.

We've seen a thirst for better information and consultation with the workforce to shape future plans. Uncertainty – and 'information asymmetry' where some have better information than others – is creating additional and unnecessary barriers and angst. Our interviews reveal just how interconnected we are as individuals or 'economic actors,' and as an economy. Now, our focus is on how we progress testing and lifting the first restrictions of the lockdown. But unfurloughing for the future is like a complex needs case.

The economy is in flux. Pubs, restaurants, shops, theatres, airlines, conferences, medicine (the list goes on and on) will change forever. The pre-Covid economy is gone. The decisions we make about priorities, staging and goals will affect work for people for generations to come.

Decisions must be made, but we shouldn't lock ourselves into a rigid course of action either. So how can we create enough certainty, whilst allowing for adaptation and rapid response, as we start creating pathways to good future work to support economic recovery? We propose an approach based on putting people first to guide our way out of the lockdown. This five-point plan is grounded in the principles of our [Charter for Good Work](#) and [research](#) on furloughing:

1. Promote choice

While some workers have discovered unexpected benefits from furloughing or remote working, many others – especially those not caught by either the [Job Retention Scheme](#) or the or [Self-employment Income Support Scheme](#) – are under real strain. Like furloughing, a staged return to work and continued social distancing will affect workers, communities and sectors very differently. Those who wish to work from home, and can do so, should be empowered to continue in this way, easing the difficulty and risks of social distancing for those who cannot. Furloughed workers should be allowed to return part time, with a proportionate reduction in income support. This will allow an extension of the scheme.

2. Actively engage

To get the best results, and align the interests of companies and workers, close consultation with the workforce is needed. Our spotlight interviews have shown the extent of variation between employers engaging with employees through the furloughing period. Those with higher levels of engagement and consultation have often coincided with higher levels of innovation and resilience.

Proven advantages of consultation to business as well as workers, should be taken especially seriously now. To help create a future of good work, the government should encourage consultation and engagement above legal requirements. Rules on communication with furloughed staff should be relaxed and clarified.

Government will need to engage businesses and unions as active labour market policies are drawn up to support those who have lost their jobs to stop the drift into long-term unemployment. Policies developed in partnership will have a much better chance of success.

3. Support transition

Some interviewees told us that technologies had been introduced to mitigate their absence. A recent survey of 2,900 executives found that 36% of businesses are accelerating use of technology and 41% were re-evaluating the approach to automation in response to Covid-19.

Technology underpins economic growth and applications should be encouraged by government in the next phase of the crisis. This will create jobs and help meet new demands, even where there is an uncomfortable adjustment period. But technological transformation must be socially responsible, with the experience and impacts on people at the centre of development and use.

As the Institute for the Future of Work has argued, [the government should develop a Work 5.0 strategy](#) to promote socially responsible automation and construct a framework of support for workers in transition, as well as firms: people should come first.

4. Target inequality

New data from the [Office for National Statistics](#) have shown that black, Asian and minority ethnic (BAME) people and low-paid workers are at a higher risk of mortality from Covid-19. This higher risk of exposure and response to the pandemic reflects, in part, underlying social and economic inequalities.

Without targeted action, fallout from the pandemic will exact a greater toll on disadvantaged groups across the country. This risks compounding latent inequalities in work and health. The levelling up agenda is more, rather than less, important now.

5. Look to the future

We are anticipating unprecedented levels of change to jobs and unemployment.

Government support needs to shift, in stages, from support for firms to maintain the status quo to direct support for workers in transition between firms and sectors. Rather than propping up businesses that may no longer be viable, people should be helped to prepare and move into other jobs. Furloughed workers should still receive 80% salaries but, as scheme is phased out, support could be offered directly.

This complex challenge will need a comprehensive package of assistance extending from income support, improved skills and job matching, career coaching to training. Now is the time to connect the furloughing debate with devolution and plans to level up the country. The government's flagship proposal for a skills fund should be picked up now too.

The government must create the best conditions to create a good future for work as we reboot the economy. As the focus shifts to the social and economic impacts of Covid-19, we must all have a voice in creating a future where we put people first.



Notes:

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