



**Institute for the
Future of Work**

Spotlight report 3

Furloughed workers and Covid-19

I'm in such a limbo

IFOW interviews, May 2020

This spotlight is part of a series of short-insight reports produced over the course of Covid-19 which share the unheard voices of working people to complement statistical stories. We will bring these reports together later this year to reflect how the pandemic has presented systemic issues, reframed the conversation about work, and shapes new demands as the government looks to lift the lockdown, boost recovery and build resilience for the future.

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Furloughed workers

This spotlight report looks at issues connected by a common thread: information asymmetry. Information asymmetry creates an imbalance of power as people make decisions with limited information and dialogue.¹ The decisions to furlough, and the decision to get people back to work, are enormously complex and raise questions about roles, responsibilities and vision for the economy and future work which are beyond the scope of this report. This report highlights the experience and additional consequences of an imbalance of knowledge and power, as people struggle to prepare for an uncertain future.

The Furloughing Scheme is an exceptional measure designed to support the labour market through the unexpected and asymmetric economic shock of Covid-19. Nearly a quarter of the workforce have been furloughed in the last fortnight, shielding about 3m workers from redundancy.² As the scheme is set to wind down, we spoke to workers with different demographics and backgrounds who have been furloughed.³

Our interviews offer insight into the benefits of transparency and constructive consultation; the connection between good work and good furloughing; and an increasing need for better information and dialogue, as well direct support, as people transition back to work.

We have found:

- Experience and information about furloughing is variable across job types, companies and sectors. As a rule of thumb, good work means good furloughing
- People are mostly keen to return to work, where it is good work and appropriate care arrangements for are in place for dependents
- Decisions about furloughing and return to work have been communicated erratically, with patchy opportunity to engage
- Workers are anxious about whether their jobs will survive through the pandemic
- Many know of technological changes introduced in their absence, which might change or augment their roles in future

Diverse approaches

Companies have taken different approaches to deciding who should be furloughed, and why. This reflects differences in management, calculations of business necessity, and leadership style.

However, information and understanding about why strategies were adopted, and worker confidence about implications for future job change or security were variable:

‘The process and who was picked and who wasn’t, I’m not sure how those decisions were made’

Creative Industry Worker, 29, Male

A manager in hospitality told us the decision taken was ‘obvious,’ with everyone on a zero hours contract was let go, and all those except senior management furloughed.

‘They didn’t have much choice really, the whole hospitality business is going to be hit pretty bad with this. They let everyone on a zero hours go, and furloughed the rest’

Pub Area Manager, 31, Male

By contrast, a retail worker told us that the director of their company had emailed all staff before the formal furlough scheme was announced to say that they were closing their stores for public health reasons, but intended to pay everyone their full salary. They did not foresee redundancies at that time:

‘I was really impressed by that, and reassured actually’

Retail worker, 62, Female

A public affairs professional said she was surprised when asked to take furlough, as her understanding was that the organisation was in a healthy financial position and her work could be conducted remotely. The organisation told her they had made decisions based on a combination of factors, including the length of employment. New starters were kept on despite having less experience because they would not qualify for support. This approach was not universal, however, with many new starters falling outside of the thresholds and without current support⁴.

‘I was in two minds about being put on furlough, on the one hand I completely understand the need for them to apply for the scheme – especially with our retail directorate... but I was disappointed’

Public Affairs and Policy Worker, 31, Female

Diverse approaches

Several interviewees explained that it was apprentices and junior staff who had mainly been furloughed, on the basis that they needed guidance to perform their work. This posed a particular challenge for apprentices, who cannot complete their course without an employer:

‘I am really worried about losing my job, that’s why I was upset being furloughed, I wanted to show them I was still doing key work...

‘other friends who have been put on furlough took it badly, like they weren’t as needed – I felt like I’ve been doing this for five years now, I know what I’m doing but I get that people paid twice as much as me can do it twice as fast’

[Advertising Worker, 27, Male](#)

Several interviewees emphasised that uncertainty (‘asymmetry of information’) was creating barriers to their ability to plan and make investments in finding new work:

‘...if I felt this job wasn’t going to be there I’d look for something else – I need a company in September when it starts again but that’s when they’ve said they’ll review redundancies’

[Planning Assistant and Apprentice, 31, Female](#)

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You think if I'm
being furloughed
is it because my
job isn't relevant
or needed.

Public Affairs and Policy Worker, 31, Female

Communication

Workers had different expectations of employer communication about furloughing, and wider changes to their contract terms.

One public affairs policy worker's employer explained the rationale behind their decision: that they were helping to preserve the organisation and, in turn, advance its mission. However, this did not translate to higher levels of certainty about the long-term plan of the organisation:

'I think they did communicate it quite well eventually and were clear in explaining to staff they were being furloughed for financial reasons, not the value they contributed to the organisation or their jobs – it was about saving the [charity] money in the long term, because you think if I'm being furloughed is it because my job isn't relevant or needed...

...All I know is I'm furloughed until the 1st of June...'

Public Affairs and Policy Worker,
31, Female

Some sympathised with the constraints and uncertainties facing businesses, but found the lack of information and understanding about what was being decided, and how, bewildering:

'He was basically telling me for the foreseeable future that I was going to be on furlough, and it was pretty crap for him, when no one knew what was happening – and he was sort of saying you're being made redundant but not quite... Initially I was like shit, I'm not going to have a job'

Creative Industry Worker, 29, Male

The apprentice at a planning consultancy we spoke with was expressly told that it was those who were not fee earning and therefore of 'value' to the business who would be furloughed, with all those below director level, who stayed in work, asked to take a pay cut.

'I don't feel loyal to them, but then I need them more at the moment so what choice do I have'

Planning Assistant and Apprentice,
31, Female

Communication

Some employers recognised a need to protect the ongoing ‘psychological contract’⁵ with employees throughout the furloughing process.⁶ Our interviews suggest that investments were biased, but not exclusively, to high-skill workers.

The director of a global consultancy, currently working remotely, had emphasised how critical it was for morale – and productivity – that the strategy was visible to staff, reducing information asymmetries and gaining ‘waves’ of consent to take a pay cut, rolled down from the highest tiers of management.

‘It’s critical to maintaining staff morale that they see that these sacrifices are coming first and foremost from the top’

Engineering Consultancy Worker,
62, Male

The process of gaining ‘consent’ to furlough has been identified as key among many employee owned organisations, where dialogue is structured into the everyday operations of the firm:

‘Some are doing voluntary furlough, many are trying to respond to the circumstances of individuals, those with caring duties, people who are shielding – they are being generally flexible. I would say one of the characteristics of these organisations is that their levels of transparency has always been high and that’s being shown now more than ever’

Deb Oxley,
Employee Ownership Association

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There was no
consultation
on the contract
change, it said
‘you will sign this’.

Charity Shop Manager, 52

Change to contract terms

Interviewees from a commercial context also emphasised the importance of, and requirements for, consultation with the worker. A director, working remotely for a global engineering and design consultancy, told us the organisation routinely consulted staff about changes to their contract conditions, whether or not it was an emergency measure. He explained that staff were invited to take part in furlough but could submit requests for exemption.

For other workers, there sense was the scheme has been imposed without consultation and very little communication. Several of interviewees highlighted that contract changes had been made to pay and terms of work, but they were unsure whether this exclusively linked to furloughing. Again, communication varied, often according to perceived value of the worker to the employer.

‘We were told by email, we were ‘invited’ but the implication was do it or you’ll be in trouble... it was do it or you won’t get anything. So what are you going to do... It was put to us as a fait-accompli. It was a bit Victorian, shall we say’
Charity Shop Manager, 52, Male

Several interviewees told us they did not feel sufficiently informed or comfortable to question decisions, often made at speed, even though they would have longevity beyond the furlough period:

‘Some in the team were saying ‘the temporary period needs to be defined, I can’t sign this if it’s not defined’. Because I’m on such a [low] salary I haven’t taken it that seriously, I didn’t read it... I’ll accept whatever because I don’t want to lose this because it’s what I want to do’
Planning Assistant and Apprentice, 31, Female

‘I actually lost two week’s worth of holiday that I accrued, where I would have been paid normal I lost that... I don’t know why... the company lost a lot of money, the reason wasn’t explained to us... I’ve worked for the company for a long time, I’ve been loyal to them and they are loyal to me, so I took it. I’m not the type to kick someone when they’re down’
Pub Area Manager, 31, Male

Change to contract terms

The benefits of transparency about business operations was emphasised from different perspectives:

‘If you do the right things in the first place, people will trust you, for instance our highest-lowest pay ratio is less than three. The next thing is telling your employees in the right way, at the right time...

More than half staff have said they would work extra hours free of charge and forego the holidays that would have been allocated to them over the lockdown time. I’ve learned if you build trust by being honest and doing the right thing, employees will stand by you in times of crisis’

[Simon Poole,](#)
[Employee Owned Firm Founder](#)

Managing anxiety

Some interviewees highlighted an acceleration of the wellbeing agenda. A worker in a chemical manufacturing firm explained that new ‘colleague care’ programmes with weekly quizzes had been introduced to minimise social isolation, with ‘hardship funds’ developed to support those adjusting to different household incomes. At the same time, staff had been engaged to coming up with ideas about how to repurpose the business and find new forms of revenue generation.

A pub area manager told us that higher levels of verbal communication through furloughing could spark a new era of ground-up peer to peer mental health awareness in the workplace:

‘We try and keep it sincere – I don’t say how are you every day, because it’s small talk and unnecessary, but a call here and there means a lot more than a light group check in every day... I think people need to understand what communication is... people aren’t going to give you how they are feeling in group chats...

...this is changing us as people really – in the long run we’re all going to be completely different in how we communicate, even with your mates and stuff you’d hardly give them a call before but now you genuinely want to know how their state of mind is.’

Pub Area Manager, 31, Male

However, not all firms took responsibility for pastoral care. In part, this was linked to different opinions about what ‘work’ was. While some organisations were making an effort to engage furloughed team members in ‘digital tea breaks’ to ensure they felt connected, others had been told not to make any contact:

‘On the one hand they’re saying don’t do anything but then they are saying stay in touch with your volunteers, which is work... they say they care about wellbeing and they do have this service for staff, but they’ve only just now thought about extending that offer to the volunteers, and that’s the majority of workers in retail side.’

Charity Shop Manager, 52, Male

Returning to work

The majority of our interviewees wanted to return to work.

Those who held different views highlighted caring responsibilities and working conditions:

‘Because I’ve got my little boy at home I couldn’t have continued working – the guilt I felt, the television was on every day all day and my husband is working full time hours...’

Personal Assistant, 33, Female

‘I won’t go back to [restaurant] when this is over, they caused me so much anxiety – management didn’t care about their staff and I was on minimum wage there. So, I don’t know what I’ll do’

Former Waitress, 27, Female

All workers who described good work⁷ were keen to return. Several interviewees described a sense of identity coming from their work. This was seen as something distinct from the forms of identity-formation that comes from interacting with friends.

‘In my job I rely on interaction with a lot of people and that’s how you build your own personality, so it’s strange spending so many months away from that many people. It will change my outlook on things’

Pub Area Manager, 31, Male

‘My conversations [at the shop] are a lot shallower than the conversations where I said I had to decide whether or not to put a child into social services, for instance, but it feeds my need to be curious about people and hear about their unmet needs and lots of people who are lonely or have mental issues come in and they just want to talk and be listened to... it’s about pleasing that person’

Retail Worker, 62, Female

‘I miss the social interaction, I miss my colleagues, I miss using my brain’

Personal Assistant, 33, Female

‘I feel like the government is paying my wages so I’m trying to use my time productively, also to keep my sanity’

Creative Industry Worker, 29, Male

Nonetheless, several expressed concerns about the management of social distancing at work:

‘They’re talking about easing some of the lockdown from Monday but there are still a lot of deaths and the virus is spreading so the thought of going back to work and idea of social distancing does make me nervous’

Personal Assistant, 33, Female

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Simon Poole, Employee Owned Firm Founder

Next steps

Interviewees expressed anxiety in anticipation of a worse job market, should they lose their job. Several told us that they would be happy to move to part time work and would prefer this to being out of work. Others expressed a desire to go part time and keep up some of the routines they had developed while furloughed, such as exercise or volunteering.

For workers in sectors with low-barriers to entry, there was significant concern about worsening conditions after the ‘lockdown’. This was exacerbated by uncertainty about support that might be available for unemployment and transition into other work:

‘I’m in such a limbo, for me, I just need a job.’

Former Waitress and Worker in Transition, 27, Female

‘Initially I think we’ll be treated a bit worse, all staff across all jobs might be because its ‘well look, you’ve got a job and you have to put up with it and get more done to make up the gap’

Charity Shop Manager, 52, Male

‘I want a job at the end of it, so I feel like I need to be seen to be working even though we were told not to’

Planning Assistant and Apprentice, 31, Female

‘I think it will be tough to find work, unless you want to do delivery driving’

Secretary, 60, Female

‘When we start again we’ll be fighting to get good waiters and waitresses, especially with students leaving and people maybe going to get jobs with Tesco or delivery jobs’

Pub Area Manager, 31, Male

New ways of working

Two interviewees were aware that technologies that had been brought in to undertake some tasks and mitigate their absence.

An audiologist explained that an app had been created to help people who had ordered their hearing aids to fit them at home, using couriers to deliver rather than asking clients to come in store. A secretary told us she had helped prepare the business for remote working, although she was aware this change may be made permanent, rendering some of her support functions redundant:

‘A lot of companies have had to fold, so for office workers even more so – they might decide they want everyone to work remotely now to save overheads, and really, as a secretary, that doesn’t translate’

Secretary, 60, Female

Others felt that new ideas and skills from furloughed workers could help struggling businesses transform, if they were properly harnessed:

‘I’m sure there will be new businesses that come out of this – people have had time to learn skills, reflect and come up with ideas... the NHS volunteering app was completely flooded – not all of us can help on the front line, but there are other ways we could potentially help. I am interested in seeing how, people if they could work, what they could do – to get businesses that might be struggling going again’

Creative Industry Worker, 29, Male

‘They are already online – we could have been working to generate income for the business like that...’

Charity Shop Manager, 52, Male

Some began to describe their appetite for skills-sharing across businesses to help keep them afloat. NotFurLongCreative⁸ a group of furloughed advertising executives from London who are offering free support to keep small businesses alive, was identified as an case study of this. A group of interviewees suggested that more should be done to encourage this kind of activity to help reboot the economy, perhaps facilitated at the local level.

Future support

Several of those we spoke with had increasing levels of anxiety about coping financially if the scheme were to wind down before they could go back to work, without additional support.

Rent was a particular concern for the young people we spoke with:

‘I knew I was covered so I don’t have to think oh god, can I pay my rent, which is a really big positive. I’m very appreciative that it’s in play and I’d like it to last until I can go back to work’

[Creative Industry Worker, 29, Male](#)

‘Everyone is dipping into their savings who I have spoken to... there are some that have no savings that will struggle to pay rent if the amount is dropped, people will have to move back in with families where they can, depends on what landlords they have really’

[Pub Area Manager, 31, Male](#)

‘I don’t know how some people are coping with no income at all... Where are all the jobs going to come from?’

[Former Waitress and Worker in Transition, 27, Female](#)

‘The problem was after I lost my job the only thing I could do was apply for government benefits, but universal credit doesn’t apply because it’s based on couples income, but we wouldn’t have been able to eat and cover rent... we were going to move out... but she gave us a rent break...’

[Former Waitress and Worker in Transition, 27, Female](#)

‘There’s a lot of people who will be struggling for a long time’

[Advertising Worker, 27, Male](#)

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Secretary, 60, Female

Blurred boundaries

Several interviewees mentioned blurred boundaries between work and home life. This was perceived to be a new, but growing, issue.

Some found the use of such familial digital spaces invasive, commenting that they were unable to opt out of participation – especially as they were looking to retain their jobs and demonstrate that they were still part of the team:

‘It feels like an invasion of your personal space. There was a lady in our team who lost two relatives to Covid-19 – and she hadn’t told us and we were putting jokes on there. The fact is you aren’t really friends with your workmates are you, but you can’t opt out of these things...’

Planning Assistant and Apprentice, 31, Female

‘The training is why I had to join Facebook... it probably wasn’t really me, I did it for this...’

Retail Worker, 62, Female

‘I feel like sitting there with video on [Microsoft teams] is less invasive than a WhatsApp group – it’s just a friend and family thing, it’s crossing the boundaries I think. I wouldn’t ever send someone a WhatsApp from work’

Planning Assistant and Apprentice, 31, Female

Some workers, however, reported that connection mediated via platforms had accelerated team cohesion:

‘We’re a lot closer as a team, which is kind of ironic because everyone is at home now, but... we have virtual tea breaks, which aren’t mandatory but anyone can join – now it’s a bit more organised, so people were joining them more than they usually would if remote working’

Public Affairs and Policy Worker, 31, Female

‘Its’ a generally nice bunch of people so there’s no ‘us vs them’ working or not. Speaking to some of my friends who are still working but at a lower capacity were like ‘I’m happy to keep going to make sure a job is still there for everyone’ at the end of this’

Creative Industry Worker, 29

Blurred boundaries

In the context of remote skills development and education, connections via platforms had advantages noted by our interviewees, including breaking down some information asymmetries:

‘What has been incredibly wonderful [in the daily training videos] is going to the factory, they have a lovely canteen and a garden and I know it seems gushy but the people there seem like they really are very happy, which makes me feel good, and I feel very nurtured by them, in a way I wasn’t with the NHS in health visiting, sometimes people didn’t even lift their eyes, maybe people didn’t have time to say ‘oh I’m going to make a cup of tea do you want one’ and it’s striking’

[Retail Worker, 62, Female](#)

Endnotes

- 1 This report adopts the definition and framing of information asymmetry given by Jean Tirole in *Economics for the Common Good*. Whilst it is more commonly used to describe frictions at a macro-economic level, asymmetries of information between workers and employers – particularly regarding prospective employment – can increase the friction experienced by workers and their ability to find suitable alternative employments.
- 2 HMRC has reported that a total of 6.3m jobs have been temporarily laid off by 800,000 companies, with claims amounting to £8bn by 3 May.
<https://www.ft.com/content/be2d317e-54f9-42b0-bf17-d4a9ae4d7489>
A survey conducted by the CIPD, the body for HR professionals, suggested that over half of employees who had been furloughed would have been made redundant in the scheme's absence.
<https://www.cipd.co.uk/about/media/press/redundancies-avoided-furlough-scheme>
- 3 IFOW undertook a ten completed interviews with furloughed workers across the UK.
- 4 <https://www.personneltoday.com/hr/furlough-new-starters-19-march-rti-payroll/>
- 5 Schalk, René, and Melanie De Ruiter.
“Mutuality and reciprocity in the psychological contract: a critical review and analysis.”
In *Handbook of Research on the Psychological Contract at Work*.
Edward Elgar Publishing, 2019.
- 6 Dabos, Guillermo E., and Denise M. Rousseau.
“Mutuality and reciprocity in the psychological contracts of employees and employers.”
Journal of Applied Psychology 89, no. 1 (2004): 52.
The psychological contract refers to perceptions of obligations and duties to an organisation, shaped by culture, management style and interpersonal dynamics, which determine informal aspects of the employer-employee relationship.
- 7 IFOW define good work in line with their Good Work Charter, available here:
<https://www.ifow.org/publications/2019/3/25/the-good-work-charter>
- 8 <https://www.notfurlongcreative.co.uk/>

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