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Managed uncertainty under multiple crises:

flexibility, contractual
differentiation and job rotation
in a UK warehouse

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Overview

- Wider research: the Labour Mobility in Transition project across 4 UK sectors (2021-25)
- Resource and firm-based (Atkinson 1984; Lepak and Snell 1999) vs. employment relations approaches to organizational flexibility (Kalleberg 2001; Cappelli and Neumark 2004)
- Different uses of ‘planned flexibility’ in the context of external crises (Smith and Zheng 2022; Askenazy et al. 2024)
- From firm-based to multi-actor dynamic approach to labour flexibility; core RQs
- The ‘outlier’ case study of Transport and Storage company in North of England
- Management and workers’ views and lived experiences of numerical and functional flexibility
- Emerging contributions...work in progress!

The LiMITs project



UKRI funded '**Labour Mobility in Transition: a multi-actor study of the re-regulation of migrant work in 'low-skilled' sectors** in post Brexit UK (2021-25)



Research on employers, workers and civic actors' **responses to labour and skills shortages** in key sectors affected: **hospitality, social care, food manufacturing and logistics**

Evidence:



UK wide **Survey of 1651 employers** on their workforce strategies post Brexit (2022-23);

150 interviews with key informants across the UK; incl. **7 workplace case studies** in the Yorkshire and Humber region;

4 stakeholder workshops (sector-based +local authorities and migrant advocacy groups)

Wider research questions of Limits project

How are different actors in employment relations responding to changes in labour mobilities in the UK, and how are their responses influencing the management of labour at multiple scales and along supply chains?”

- Changing employer strategies – **recruitment, retention**, training and management of the workforce (including use of agencies, **flexible arrangements**)
- labour substitution: new groups of workers or automation
- workers own responses (organizing; labour mobility/turnover; new migrations)

Economic uncertainty and firm use of flexibility

- Traditional resource-based view of the firm: companies' employment model either favours direct employment and internalisation/ or outsourcing and contracting (Ghemawat 1991) to maintain competitive advantage
- Firms' choice reflects duality between commitment and flexibility where directly employed workers are associated to commitment (functional flexibility) and indirect workers with (numerical) flexibility (Williamson 1985) according to the relative value and skills of "core vs periphery" workers (Atkinson 1984; Lepak and Snell 1999)
- Uncertainty in the business cycle and firm choices : employers may decide to hire workers with skills that are not traditionally 'core' (specific and valuable) but that become essential to fulfil the unique flexibility requirements of the organization (Kulkarni and Ramamoorthy 2005)

From binary views to “complementary flexibilities”

- Critical studies showed that **reduction of labour and training costs and the need to address variable demand are primary drivers behind the use flexible labour strategies** (e.g. Abraham 1990; Cappelli and Neumark 2004; Kalleberg et al. 2003; Vidal and Tigges 2009)
- Flexibility often translates as insecurity for temp workers (“Passing the buck”) (Lambert 2008; Wood 2016)- irregular hours, insecure income...
- Cappelli and Neumark’s (2004) study showed **that internal flexible practices** appear as rather **complementary to the use of contingent workers** (questioning that they substitute for external job churning, nor in fact reduce insecurity for the permanent workers)
- **Interplay of numerical and functional flexibility:** In this sense the use of contingent workers may have detrimental effects also for the core workers (Kalleberg 2001) creating fractious workplaces (Ward et al. 2001) and can lead to higher involuntary turnover

‘Planned flexibilities’ in the context of recent crises?

- Notion of “**planned flexibility**” when employers may rather use contingent workers more systematically to accommodate expected rather than unexpected fluctuations, buffer permanent employees and screen workers before hiring them (Vidal and Tigges 2009: 56; see also Wood 2016; Smith and Zheng 2022)
- Smith and Zheng (2022) study of a distribution firm in post Brexit UK shows **tendency to build more stable relationships also with agency workers** in the context of labour shortages and changing demand;
- low-paid sector research in UK show how **management ‘toy’ with contractual forms to secure commitment** and increase control (Herman, Rubery and Hebson 2025)- see fire and re-hire during Covid-19 (Bogg and Brodie 2023)
- Pandemic- research found that firms embrace different clusters of flexible strategies across the numerical, temporal, spatial and functional to deal with external shocks (Wenzel et al 2020). Which type and outcome **depend on pre-existing strategies, employment structure and the changing policy context** (Askenazy et al. 2024)

A multi-actor dynamic approach to organizational flexibility

- Beyond a firm-based and a binary view of human resources between high and low value, we adopt a dynamic, and multi actor approach to flexibility rooted in employment relations (Delbridge et al. 2011; Martinez Lucio et al. 200), asking:

How do workplace actors' responses to labour flexibility shape the outcome of firm strategies in the context of major external shocks?

- How is the relationship between functional and numerical flexibility changing?
- How do pre-existing employment models interact with management strategies of flexibility?
- How do *workers on different contracts* respond to these practices, and with what implications in terms of labour provision, worker commitment and turnover?

The logistic sector as a rich field to study flexible strategies

- Logistics at the centre of major processes of re-organization with growth of e-commerce (market digitalisation) where reducing delivery time to consumers became a key competitive element: key implications for job quality; intensification and automation (Gutelius 2015; Briken and Taylor 2018; Zanoni et al. 2025)
- Structurally prone to macro and micro economic **fluctuations** (Bonacich and Wilson 2011; Newsome 2010): use of work innovation such as functional flexibility and **job rotation**, and a higher use of **temporary agency** labour than other sectors (Jaehrling et al. 2018; Kik et al., 2019; Gautié et al. 2020;)
- In the UK, exceptional growth of the sector , but series of overlapping crises affected it: **labour shortages, supply chain disruptions and contradictory impact of Brexit and Covid-19** (peaks and troughs) on product and labour demand +cost of living crisis impacting on demand

Methods

- **18 months in depth organizational case study** (Vincent and Wapshott 2014)
- Fieldwork (between April 2022 and October 2023) including **3 visits to the HQ, observations** of labour process (5,000 words fieldnotes) and ongoing communication via email and social media with key participants
- Qualitative data: 15 qualitative interviews with **12 workplace participants** across different ranks and contract types+ **3 industry stakeholders** (employer association, temp agency, trade union) for a **total of 20 in depth interviews**, and documentary material obtained directly from management
- The case study is supplemented with data from focus group held in June 2024 with industry stakeholders, and expert interviews in the logistics sector

An “outlier” case study of logistics: Foodia

Business model and employment relations

Medium enterprise, Cooperative business with participatory, high commitment model and egalitarian values;

Product Market relatively niche - fair-trade/organic nature of products, mostly food and household goods

Location: HQ in the North of England, Transport Hub and Depot in the South, distribution across the UK (and some EU countries pre-Covid)

Workforce

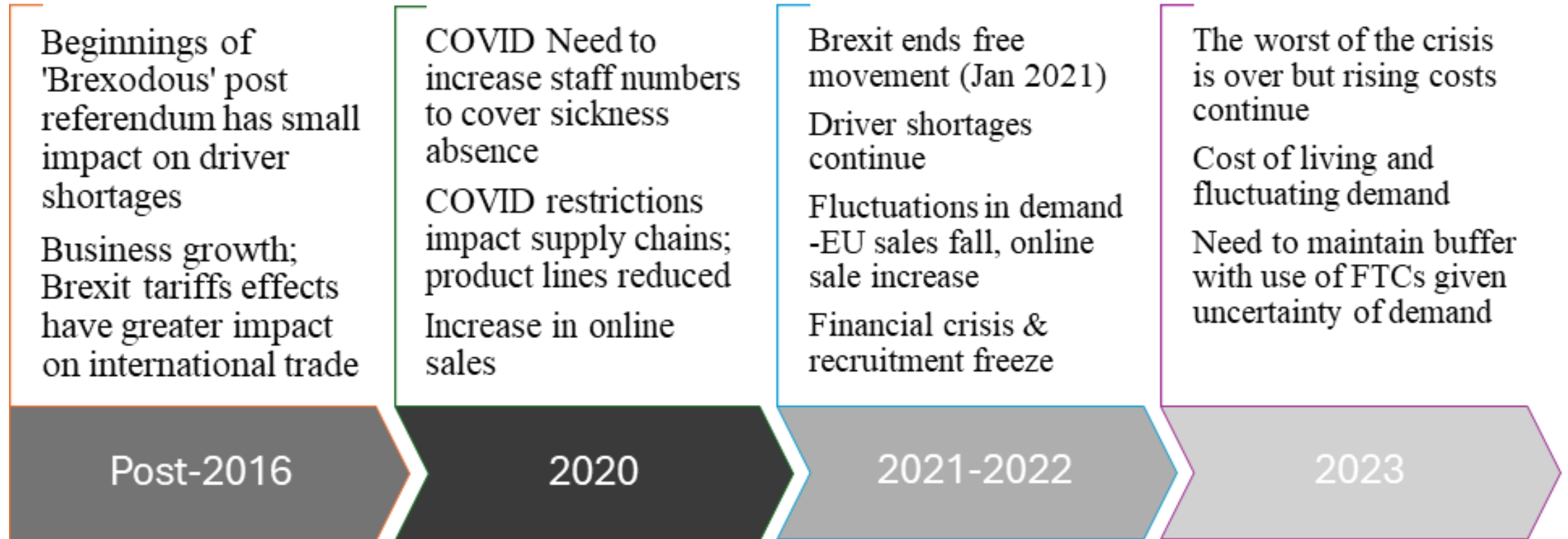
About 320-250 workers; **Dual labour force** (72-80% permanent members/rest Fixed term contracts hired on 18 months contract- to avoid dismissal rights after 2 continuous years) , **no use of agency workers**

Job roles – warehousing, truck drivers, admin, sales, Board

Social composition: fluctuates but about **90% British, less than 10% Black And Minority Ethnic and migrant workers** (vs. entire sector where at least 25% are migrants)- Location of HQ diverse but history of coop makes it attractive to white, relatively educated workers

Employment conditions : Higher hourly rate of pay £16.74 than rest of the sector for warehouse operatives (at the time of 1st interviews NMW £10.42, RLW £12) led to reduced labour shortages

The impact of multiple crises on Foodia employment model



Maintaining a dual workforce as a response to the crises

Suspending the goal of reducing the temp- to- perm ratio:

“We're around 72% permanent members, owners of the business. And again, that's a reduced percentage. Currently, (this is) **because of the fact that we have to increase the workers on temporary contracts.** At this time, we do have a continuing target to get our permanent member percentage up to 80% over the next few years. And to really try to press the logistics area to manage a staffing process that only ever uses temporary contracts to fulfill that difference between peak and lowest staffing levels ...we haven't quite hit that balance yet” (Participant 9, Personnel area leader, October 2023)

Specific use of numerical flexibility to respond to uncertainty

- ***Extending fixed term contracts through ‘fire and re-hire’***

‘So in the warehouse recently, we have *re-employed* workers who were on 18 month contracts. So they stopped working for us a few months ago and our option is then to either recruit a full 18 month contract or just to see whether those people *who are already trained to work* for us are willing to get re-hired for a shorter period, so their retraining won't be that expensive’ (Participant 4, Training and distribution, November 2022)

A careful management of probation periods to maintain control

‘And look - we are not a charity. People come and try and work for us and it doesn't always work out. We do have to end peoples' contracts and things like that. It isn't something that anyone can just walk in off the street and do and certainly it's not something that someone can do well, or instantly. It is a three month probation period’ (Participant 1, HR, Warehouse operations, October 2022)

- ***Trial periods used to test higher performing temps as well-*** some temp workers were given the opportunities of a “trial membership” as a route to permanency based on good performance

The lived experience of numerical flexibility

Worker experiences of contractual flexibility as insecurity

- ‘I have been given a couple of month extensions, but you know, I am nearing the end of my contract, it will be ending in mid-January. Who knows, I might get another extension I might not. I hope I do. *There is a bit of insecurity there.* This is the one aspect where... I wish things were different’ (Participant 2, picker, FTC, October 2022)
- ‘I’ve just started *my trial membership* which if I pass, it should last six months, then I’ll be a full-time working contract (...) Yes it can be stressful [to be on a fixed term contract] because obviously by the end of it you’re going to be out of a job and you’re worrying if you’re going to get taken back, what are you going to do if you haven’t got a job (Participant 8, picker, on trial membership, June 2023)

Applying functional flexibility across contract types

- **Job rotation was also talked about as a way to deal with a reduction in staff and cost saving, *where both permanent staff and FTCs were expected to be more functionally flexible:***

‘And you know, when we were speaking earlier about multiskilling, we've got that fluidity of workforce here where *most people* can take a sales call, pick an order, and work in another operational role. So we're lucky that we can move people around where needed to be able to fix those gaps’ (Participant 11, commerce leader, November 2023)

- ***Job rotation presented as job enrichment and development opportunity but with some limitations:***

When people have been here for a number of months, if they are doing more than three days then generally we are looking at upskilling them into some of the other roles, so we might offer them a chance to learn loading or driving the reach trucks. We can't always do that - the bulk of the work we do is picking, and we will always need people to spend most of their week picking really’ (Participant 1, HR, Warehouse operations, September 2022)

The lived experience of functional flexibility

- Several workers interviewed highlighted the benefits of multi-skilling and flexible job rotation as an approach that allowed them to move up to better (higher status and higher skilled) jobs (Participants 4, 5, 9, 11, 12).

“And I still get to drive, still get to work in the warehouse. **I still get to do various jobs which for me is the massive plus of Foodia, because I wouldn't want to just do one job all the time.** I like the variety” (Participant 12, truck driver, permanent, December 2023).

- Among the fixed term, offer of job rotation as multi-skilling opportunity perceived as a springboard to membership-indicating links between numerical and functional flexibility:

“For me, the indication [that my contract was likely to be extended] was that they were still offering me training. **So, because they were still asking me to go on training courses, I was like, financially, you're not going to train someone just for a month of work.** It wouldn't make sense. So, I was like, I'm pretty sure I'm safe here” (Participant 8, picker, on probation, June 2023)

Refusing flexibility in context of work intensification

- One of the pickers highlighted *the limitations of moving office workers* (cf. Jaherling et al. 2018) to the warehouse, when during the pandemic, office-based permanent members were asked to ‘volunteer’ some of their hours in the warehouse, but the response was disappointing:

‘I think [managers] were frustrated with the low turnout of members from the office to pick. They succeeded getting 15 people to pick one day a week’ (Participant 3, picker, FTC, November 2022)

Permanent workers in turn expressed their frustration at being moved for operational reasons:

‘I don't want to be sat behind a desk 5 days a week that would absolutely drive me insane (...) But then, during Covid (...) we were sort of put in teams and I was put on a specific shift in the warehouse 5 days a week, and that that was really tough mentally as well, cause you were just surrounded by the same people all the time everybody was fed up. Everybody was anxious and worried, and it was that that was actually quite a tough period of time as well’ (Participant 12, truck driver, permanent, December 2023)

Voluntary turnover and quitting among the FTCs

- ‘The main reason for me to leave was that it was a temporary contract. If it wasn't [only] for that - there were other elements. There were many reasons for me to not like this job. The task was unpleasant, it was *tough work*, physically demanding’ (Participant 3, picker, FTC, November 2022)

“I think there has been some people leaving, not necessarily because of the pay- because it is a well-paid job (...) but I have seen people leave but it's t more to do with these fixed term contracts. Some people have definitely moved, from the warehouse anyway, on to somewhere where [they] had more *job security*’ (Participant 6, picker and general duties, on probation, June 2023)

‘We had a period where because of various things a lot of people got moved off the night shift on to the day shift and that didn't really suit some of the people that were there, so they moved on to get a different job somewhere else because *they needed to work nights* but within the contract it said we can change your hours as to the needs of the company’ (Participant 6, picker and general duties, on probation, June 2023)

Discussion

- Overall Foodia responded to the multiple external shocks that affected the sector (Brexit, Covid-19 and the cost of living crisis) with **a combination of flexible labour practices**: 1. maintaining a dual workforce with an expanded fixed term cohort; 2. expanding the use of numerical flexibility through ad hoc contract extensions, 2. and intensifying job rotation *for both* permanent workers and the ‘periphery’ of FTCs.
- Ad hoc extension of temporary contracts and use probationary periods not as a way to trial the temporary workforce and move them into regular employment (Ono and Sullivan 2013) but mostly to **save on training costs and adjust numbers to fluctuating demand** (Kalleberg et al. 2003)
- **Functional flexibility depends on numerical-** expectation that temps may be functionally flexible in the hope of a secure contract- but increasing socio economic insecurity may lead them to quit and **defy management expectations** of planned flexibility or building more stable relationships with the temps (cf. Smith and Zheng 2022)

Contributions

- Workers' contradictory experiences of flexibility and job rotation- expressed in FTC's accounts of *contractual flexibility as insecurity* (cf. Lambert 2008), corroborate research showing how the meaning of flexibility is contested and cannot be seamlessly associated to either of the employment relations actors (Martinez Lucio et al. 2000).
- Neither, response to expectations of flexibility can be automatically derived from type of contract, value and skills (Lepak and Snell 1999) and the worker assumed level of commitment to the firm's, contrary to models of flexible firms (Atkinson 1984) and High Performance or High Commitment work systems (Appelbaum et al 2000; Guthrie 2001).
- Building on Cappelli and Neumark (2004) our study confirms the positive relation between “internal flexibility and external churning” in non-manufacturing sectors. However, while they associate voluntary turnover with permanent workers we show how also insecure staff may decide to engage in voluntary turnover, creating wider instability also for permanent and frictions across the whole workforce (Kalleberg 2001; Ward et a. 2001).

“Managed uncertainty”?

- Concept of “managed uncertainty” to encapsulate the contradictory meanings and **“limits” of flexibility** to manage turbulent contexts, showing how workers’ relatively unpredictable responses critically shape the implementation of flexibility at work
- **Beyond logistics**, we show how a qualitative and dynamic approach to flexibility illuminates the uncertain outcomes of firm choice between commitment and flexibility, at a time of intensifying socio-economic and political uncertainty
- Actors’ reflexive agency upon their social perceptions and meanings of flexibility, questions the sustainability of capitalist management practices, **where firms appear in constant need to find new “fixes” to adjust employment models and enforce flexibility at work**

Questions??

THANK YOU!

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From low-skilled to good work: a joint approach to migration policy

Centre for Employment Relations, Innovation and Change (CERIC) Leeds University Business School

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This report identifies key challenges and policy recommendations for developing a joint approach on migration for work in the UK. The recommendations are made based on the findings of a four year research project on changing labour market and migration since Brexit across low-paid sectors.

Content:

- Context of UK migration policy change and labour challenges post Brexit.
- Examples of initiatives to respond to labour and skills shortages in key sectors affected: hospitality, social care, food manufacturing and logistics.

The evidence base for the findings consists of:

- ▶ A UK wide Survey of 1651 employers on their workforce strategies post Brexit (July 2022-March 2023);
- ▶ 150 interviews with key informants (workers, employers, agencies, industry representatives, local and national government, trade unions, migrant advocacy groups) across the UK;
- ▶ 7 workplace case studies in the Yorkshire and Humber region;
- ▶ 4 stakeholder workshops. The qualitative research was conducted between October 2021 and January 2025.

The report is based on the UKRI funded research, Labour Mobility in Transition: a multi-actor study of the re-regulation of migrant work in 'low-skilled' sectors (2021-25). An executive summary is also available at tinyurl.com/LabourMobility

