



**Working Families written evidence
to the Committee for Finance and Personnel
Inquiry into Flexible Working in the Public Sector in Northern Ireland.**

1 Summary

1.1 Working Families is the UK's leading work life balance campaigning charity. We run a free legal helpline for parents and carers who need advice about employment rights at work and about a fifth of our callers seek advice about flexible working. We also work with employers to benchmark best practice. We conduct research about the business benefits of flexible working and about the impact of work on family life. We run a network to support around 2,000 parents of disabled children who work or wish to work.

1.2 Our evidence is based on our understanding of the mutual benefits of flexible working for business, for families and for the wider economy and society. In particular, we have undertaken research about flexible working in the public sector which led to recommendations, now implemented, that all civil service jobs should be advertised on a flexible, part time or job share basis, unless there are sound business reasons why they cannot be.

1.3 We also provide evidence on the critical success factors, challenges, barriers and risks to introducing flexible working and make suggestions on how these may be managed and mitigated.

2 International case studies on flexible working benefits.

2.1 In Working Families' view, the business case for flexible working is well evidenced in the UK. Working Families' Chief Executive, Sarah Jackson, has chaired a Department for Work and Pensions working group to promote flexible working to private sector employees. Employer organisations, along with the TUC, CIPD and recruitment agencies have together agreed the business case (copy attached in Annex A). More recently, the UK's Business Department impact assessment in the Government's response to the Modern Workplaces Consultation identified monetised benefits from extending the right to request flexible working to all employees as follows: *"Average annual benefit to employers from higher productivity (£36.8m), lower labour turnover (£8.4m) and reduced absenteeism (£1.4m)"*¹.

Over a ten year period, the extension of flexible working rights is predicted to produce a net benefit of £116.66m.

¹ Consultation on Modern Workplaces – Government Response on Flexible Working: Impact Assessment. BIS. November 2012

2.2 Working Families own research has demonstrated that there is a positive correlation between flexible working and individual performance² and that this was true both for the quantity and the quality of the work produced. The majority of employees also reported that flexible working had a positive effect in reducing and managing stress levels. A key lesson from that research – conducted with seven large organisations over a two year period – was that flexible working was seen as an appropriate method of working and culturally acceptable when it was available to all employees regardless of their personal circumstances. Greater cultural resistance was found in organisations where the actual take up of flexible working was dominated by certain types of employees, such as parents of young children. This finding has supported our call for the extension of the right to request flexible working to all employees; this is the best way to deliver workplace cultural change so that flexible working becomes an acceptable way of working, rather than a concession to particular groups.

2.3 Working Families' annual "Top Employers for Working Families" benchmarking exercise and awards enables us to showcase examples of how flexible working arrangements have been implemented effectively. Organisations are beginning to measure the impact of flexible working arrangements. Some examples from our 2012 finalists in the "Best for Flexible Working Awards":

American Express' staff survey has enabled them to measure the success of their flexible work brand – the results are showing increased productivity and engagement, lower staff turnover and absenteeism. Savings have also been made through real estate optimisation and wellbeing has increased as staff have used flexibility to find a good work life balance.

Chelsea and Westminster Hospital NHS Foundation Trust allows all employees the right to request flexible working, and have implemented a training programme to help staff make a request and enable managers to more confidently manage and decide requests. In their staff survey, the trust received the highest national score amongst all similar NHS Trusts as the employer who was best at helping staff balance their work and home life.

Northern Trust (a financial services company employing 1,400 across Europe, Middle East and Africa) believes that their flexible working culture "generally leads to better performance and more effective working and our staff appreciate and value that we trust them to get on with the job wherever they are located." With an average tenure of seven years, their culture is maintained as people advance.

2.4 Working Families research on flexible working in senior roles, both in the public and private sector, has demonstrated the range of jobs that can be worked on a less than full time 9-5 basis, but one size does not fit all³. Flexible working can be used as a tool for retaining women in senior roles as our work with law firms⁴ demonstrates. For example, offering home working and job sharing opportunities may be more suitable than part time work in transactional roles.

² Flexible Working and Performance: Summary of Research. 2008 Working Families and Cranfield University School of Management

³ Hours to Suit Parts I and II: Flexible Working at Senior and Managerial Levels. Working Families 2007

⁴ Legal Lives: Retaining talent through a balanced culture. Working Families 2008

3 Options presented by new technology and workplace design to support flexible working practices, and approaches to monitoring and managing performance.

3.1 Working Families has evidence from our Top Employers Awards 2012 of innovative practice leading to new ways of working. For example:

Accenture, a global professional services company, has rolled out an innovative programme of video-conferences technologies to provide viable, alternative ways to hold face to face meetings. This has led to an increase in both meeting attendance and productivity, as well as demonstrable employee engagement feedback.

Citi, a large banking group employing over 8,500 people in the UK, leveraged the London 2012 Olympics as an opportunity to embed flexibility as a “must have” not a “nice to have” way of working throughout the organisation. They produced an online resource that allows teams to plan working patterns, invested in remote technology so that 96% of employees can now access systems remotely, provided drop in clinics to provide employees with assistance about the technology they needed for effective working and introduced “test days” before the Olympics during which workers were encouraged to take up “agile working” and allowed the organisation to test for any issues.

The Ministry of Justice (Government Department employing over 70,000 people) also piloted flexible working options in advance of the Olympics. For example, many staff adjusted their hours in the office, more homeworking was allowed and staff were encouraged to work from local courts nearer to their homes. Both staff and managers reported benefits in terms of work life balance and being more productive. An IT upgrade will enable more staff to access IT from remote locations. Pool laptops are not just assigned to senior staff – it is clearly stipulated that they must be shared fairly so that the whole team may benefit from homeworking.

3.2 However, we are pleased that the inquiry is drawing attention to the issue of monitoring and managing performance in circumstances where staff may not be co-located with their managers, or where the hours of work may not match with expectations about high performance. There is some evidence that all hours of work are not equal, and that those who stay late in the office appear more “committed” than those who arrive early, but also leave early (for example, to collect children from childcare). Our research (Flexible Working and Performance) found a general belief among respondents that adopting flexible working practices could harm their careers and that visibility in the office was key to progression. This may help to explain the widespread use of informal flexible working arrangements as employees hesitate to formalise arrangements if they fear a negative impact on their careers.

3.3 It is vital, therefore, that employers who wish to embed flexible working cultures consider how they measure performance through a focus on outputs rather than hours worked. Our research on family life⁵ found that a long hours culture in the

⁵ Time Health and the Family. Working Families 2012

UK causes stress and resentment and a culture of “presenteeism” is particularly disadvantageous to women with childcare responsibilities.

3.4 Our benchmarking work with top employers has also identified a need to re-examine performance measurement as fewer flexible workers receive the top performance grades than other workers. Research by the Institute of Employment Studies⁶ has shown that employers give performance grades for a host of reasons, only one of which is actual performance and that, as a consequence, people with flexible patterns, women in senior grades, people with disabilities and people from minority ethnic groups all do worse in the performance management process.

4 Types of work and job roles in the Civil Service suited to flexible working practices

4.1 In 2009 Working Families carried out a survey of jobs advertised on the Civil Service Gateway and produced a report of our findings⁷. We examined recruitment practices through the prism of the public sector equality duty which includes a statutory duty to promote equality of opportunity between men and women, including in recruitment policies. With around 40% of women working part time, we were interested in whether jobs were equally open to men and women. Our “secret shopper” exercise established what it was like for an individual wanting to apply for work on a part time or job share basis in the Civil Service. We examined 70 jobs advertised over a five day period and found 50 were advertised as full time only, only two were advertised as part time only and 18 were offered on a full time, part time or job share basis. A further analysis of the 50 full-time only jobs advertised revealed some willingness among departments to consider part time workers, but we were concerned that the way that the jobs were advertised may have dissuaded part time workers from applying.

4.2 Our research concluded that the Civil Service had a predominantly full-time hours culture for new recruits and that there was little evidence that departments had considered the business needs for posts before advertising. The jobs we considered ranged widely from administrative to managerial roles. We identified some good practice, but even those offering job-share roles were often vague about how it would work for an individual applicant. We concluded that the statutory gender equality duty had not translated into consistent recruitment practice for individuals applying for part time or job share roles in the Civil Service. This may reduce women’s chances of employment, and fail to maximise the employer’s chances of finding the best person for the job.

4.3 We are extremely pleased that the issues we raised have been taken seriously by the Civil Service. In the response to the consultation on Modern Workplaces, the UK Government has an aspiration for the Civil Service to be an exemplar in flexible working. Changes to the e-recruitment system (CS Jobs) means that there is a default setting for Civil Service vacancies that states “This job/these jobs are available for full-time, part-time or flexible working arrangements” and “Departments that wish to deviate from this have to complete a robust business case”⁸. We recommend that this policy applies also for the Northern Ireland CS.

⁶ Institute of Employment Studies “Equality in Performance Review” 2001

⁷ We need to talk about...hours: Job advertising in the Civil Service. Laura Dewar for Working Families 2009

⁸ Modern Workplaces Consultation – Government Response on Flexible Working. BIS. November 2012.

5 Success factors and challenges for flexible working

5.1 Working Families' experience of promoting flexible working practices over several decades leads us to conclude that there are many factors which determine the success of flexible working practices, but the most important are understanding the business case, promoting a flexible working culture particularly through management training, and strong role models promoting consistent messages across the organisation.

5.2 Any flexible working pattern needs to fit with the business needs of the organisation. It is a strength of the statutory right to request flexible working that it requires a balance between employee asks and business requirements, so that an employer should only turn down a request for one of eight statutory business reasons. However, the business case should not be considered only at the point at which a request is made. It is our view that there should be a challenge to the full-time assumptions about how we work, and that all jobs should be considered as available to flexible ways of working, unless there is a sound business case why not. Many individuals cannot work full time, due to health issues or caring responsibilities, but their talents are wasted because too many of the part time jobs advertised are low paid, low quality jobs with little prospect of progression. Only by opening up all available jobs to flexible working patterns will employers be able to maximise their recruitment pools and UK will be able to use all the talent available. This requires improvements to job design and advertising: employers need carefully to explore each job's outputs and consider whether it may be worked on a part time or job share basis, or what scope there is for working remotely, or flexitime. Working Families, working with the Private Sector Working Group to promote flexible working, has produced a strapline for advertisements "Happy to talk flexible working" which we hope to pilot with employers in 2013 to encourage both parties to consider the qualities required for the job and the necessary outputs, and then agree a way of working that suits both employer and employee.

5.3 Establishing and promoting a flexible working culture requires organisational commitment. Our research (Flexible Working and Performance) builds on a substantial evidence base that line managers act as barriers or enablers to successful flexible working. Research reveals that managers often lack confidence in dealing with requests for different patterns of work, and that they may need additional training in managing flexible workers both individually and in the team environment. The evidence on performance management of flexible workers (see paragraph 3.4 above) suggests that policies need to be reviewed in the context of all employees, so that employees who are less visible in the workplace do not miss out in terms of promotions or the allocation of projects. Policies may not specify visibility as a necessary criteria for success – but practice may be implicitly enforcing this. It is necessary to ensure that all policies support the flexible working culture.

5.4 Workplace culture change takes time. In 2006 we produced a road map for organisations to move from legislative compliance to having a culture where work life balance truly supports all employees⁹. The road map suggested that, once the business case for flexible working has been established and understood within an organisation, a board level "champion" needs to be found. A "champion" is needed

⁹ Moving Mountains: the culture change challenge. Working Families 2006

who is passionately committed and positive about flexible working, who “walks the talk” by showing that at the top level performance is not negatively impacted by a different pattern of work, and who continues to stress and support the business case. High level, visible role models also need to be supplemented by a clear communication strategy that keeps work-life balance messages in the forefront of employees’ minds, backed up by access to information and training.

Working Families
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ANNEX A – as agreed by the Promoting Flexible Working to Private Sector Employers Working Group.

Business case for flexible working

Flexible working benefits organisations as much as it does individuals. Employers who provide flexible working can gain from higher retention rates, an increased ability to recruit from a wider talent pool, and greater employee engagement and productivity.

While the evidence indicates direct benefits to employers flowing from the availability of flexible working, these are clearly optimised when flexible working is made available as part of a wider package of engagement approaches by which employers demonstrate the value they attach to employees and their well-being, as the MacLeod review, 'Engaging for Success'¹⁰, makes clear.

Higher retention leads to a reduction in costs

- 42 per cent of employers said flexible working practices had a positive effect on recruitment and retention (particularly of female staff), thus saving on recruitment, induction and training costs.¹¹
- A Confederation of British Industry survey found that 53 per cent of employers report that flexible working practices had a positive effect on recruitment and retention.¹²
- Eighty-six per cent of mothers with access to five or more family-friendly arrangements went back to work after childbearing, compared with 42 per cent of those with no such arrangements.¹³
- During a financial crisis, flexible working can also bring other advantages to organisations such as lower overhead costs and the possibility of decreasing staff hours rather than making redundancies.¹⁴

Increased ability to recruit from a wider talent pool

- 42 per cent of employers reported that flexible working had a positive effect on recruitment in their establishment.¹⁵ Nearly 40 per cent of existing employees said the availability of flexibility was important for them when initially deciding to work with their current employer.¹⁶
- A further report¹⁷ found that firms offering family friendly practices can attract better recruits.

¹⁰ MacLeod, D. and Clarke, N. (2009), 'Engaging for success: enhancing performance through employee engagement'. Report for the Department for Business, Innovation and Skills.

¹¹ Hayward, B; Fong, B, and Thornton, A. (2007) 'The Third Work-Life Balance Employer Survey: Main Findings', BIS Employment Relations Research Series No 86; and Hooker, H., Neathey, F., Casebourne, J. and Munro, M. (2007) The Third Work Life Balance Employee Survey. Department for Business, Innovation and Skills, Research series No. 58.

¹² Confederation of British Industry (CBI) (2010) Employment Trends Survey: Easing Up

¹³ La Valle, I.; Clery, E; and Huerta, M (2008) 'Maternity rights and mothers' employment decisions', DWP Research Report No 496.

¹⁴ House of commons all-party parliamentary small business group report.

¹⁵ Hayward, B; Fong, B, and Thornton, A. (2007) 'The Third Work-Life Balance Employer Survey: Main Findings', BIS Employment Relations Research Series No 86; and Hooker, H., Neathey, F., Casebourne, J. and Munro, M. (2007) The Third Work Life Balance Employee Survey. Department for Business, Innovation and Skills, Research series No. 58.

¹⁶ Hooker, H., Neathey, F., Casebourne, J. and Munro, M. (2007) The Third Work Life Balance Employee Survey. Department for Business, Innovation and Skills, Research series No. 58.

¹⁷ Holmes K., Ivins C., Y axley, D, Hansom J., Smeaton D, (2007) 'The Future of Work: Individuals and workplace transformation', Equal Opportunities Commission

- 'Generation Y' – people born after 1977- are much more likely to choose to work where there is flexibility. In a global survey of final year MBA students, 90 per cent cited work-life balance as a key factor in determining commitment to their employer.¹⁸

Greater employee engagement amongst staff; greater loyalty to the organisation

- 58 per cent of employers thought that the provision of work-life balance practices had a positive effect on employee relations.¹⁹
- Flexible workers (33 per cent) were significantly more likely than non-flexible workers (22 per cent) to be very satisfied with their current working arrangements.²⁰
- 89 per cent of employees thought that 'having more choice in working arrangements improves workplace morale'.²¹
- A British Chambers of Commerce survey²² of employers found that over 70 per cent of respondents noted some or significant improvement in employee relations as a result of offering flexible working arrangement compared with only 26 per cent who noted no improvement.
- A Chartered Institute of Personnel & Development survey²³ found that employees who are satisfied with their work-life balance and those on flexible contracts are more engaged with their work than those who are dissatisfied or not working flexibly. It found that those on flexible contracts tend to be more emotionally engaged, more satisfied with their work, more likely to speak positively about their organisation and less likely to quit than those not employed on flexible contracts.
- Employees who were using some form of flexible working were more committed to their employer and reported better psychological health.²⁴
- In a qualitative study of SMEs, employees of those organisations which offered flexible working valued their employers' approachability, and expressed appreciation of the fact that their employer would listen to their requests with an open mind and a flexible outlook. Employees said that flexibility made good business sense, promoted motivation and effort, and deserved a reciprocal response.²⁵

Increased productivity

- 57 per cent of employers reported positive effects on employee motivation and commitment at the establishment with the introduction of work-life balance practices, 41 per cent said this for productivity, and 38 per cent said the same of absenteeism.²⁶

¹⁸ Coopers and Lybrand (1997) International Student Survey Report.

¹⁹ Hayward, B; Fong, B, and Thornton, A. (2007) 'The Third Work-Life Balance Employer Survey: Main Findings', BIS Employment Relations Research Series No 86; and Hooker, H., Neathey, F., Casebourne, J. and Munro, M. (2007) The Third Work Life Balance Employee Survey. Department for Business, Innovation and Skills, Research series No. 58.

²⁰ Hooker, H., Neathey, F., Casebourne, J. and Munro, M. (2007) The Third Work Life Balance Employee Survey. Department for Business, Innovation and Skills, Research series No. 58.

²¹ Hooker, H., Neathey, F., Casebourne, J. and Munro, M. (2007) The Third Work Life Balance Employee Survey. Department for Business, Innovation and Skills, Research series No. 58.

²² British Chambers of Commerce (2007) Work and Life; How business is striking the right balance

²³ Truss, C., Soane, E. and Edwards, C. (2006) Working life: employee attitudes and engagement. Chartered Institute of Personnel and Development research report London.

²⁴ Houston, D. and Waumsley, J (2003), 'Attitudes to flexible working and family life'. Joseph Rowntree Foundation.

²⁵ Dex, F and Scheibl, F (2002), Smaller organisations and flexible working arrangements. Joseph Rowntree Foundation/Policy Press.

²⁶ Hayward, B; Fong, B, and Thornton, A. (2007) 'The Third Work-Life Balance Employer Survey: Main Findings', BIS Employment Relations Research Series No 86; and Hooker, H., Neathey, F.,

- Research by Cranfield University School of Management and Working Families looking at the impact of flexible working arrangements in seven large private corporations found that the majority of flexible workers, their co-workers and their managers reported that there was either a positive impact or no impact on individual performance. This was true for both the quantity and quality of work produced.²⁷
- Research from the British Chambers of Commerce found that 58 per cent of small to medium sized enterprises reported improvement in productivity (46 per cent some improvement, 12 per cent significant improvement).²⁸
- During any major disruptive incidents (eg fire, the loss of key utilities such as heating in offices, security alerts including terrorism), organisations with innovative ways of working have a better guarantee of 'business as usual', which would be denied to those reliant on a central office base. This 'Disaster Recovery' provision can be critically enhanced by a flexible working programme which allows employees to work from home, other buildings or customer premises, for example.²⁹
- Research into flexible work practices at SMEs found no evidence that there had been serious long-term additions to managers' workloads where flexibility had been offered.³⁰

Tailoring hours to suit business demand leads to reduced costs

- The opportunity to tailor advertised roles to reduced hours when there is a business demand to do so was considered a key benefit of taking on staff part-time by 59 percent of small businesses in the Federation of Small Businesses Employment Survey (2009).³¹

Casebourne, J. and Munro, M. (2007) The Third Work Life Balance Employee Survey. Department for Business, Innovation and Skills, Research series No. 58.

²⁷ Working Families and Cranfield University School of Management (2008) Flexible Working and Performance: summary of research.

²⁸ British Chambers of Commerce (2007) Work and Life: How Business is striking the right balance.

²⁹ EOC (2007) Enter the timelords: Transforming work to meet the future. Final report of the Equal Opportunities Commission investigation into the transformation of work.

³⁰ Dex, F and Scheibl, F (2002), Smaller organisations and flexible working arrangements. Joseph Rowntree Foundation/Policy Press.

³¹ Federation of Small Businesses Employment Survey. (Over 3,000 FSB members; conducted in June 2009. The majority of respondents were micro businesses with 1 – 4 employees.)