

**Flexible Working: working for
families, working for business**
A report by the Family Friendly
Working Hours Taskforce

Preface

In 2009 the Secretary of State for the Department for Work and Pensions established this Taskforce to explore the challenges around improving the availability and quality of family friendly working practices – focusing on working hours and patterns – and provide recommendations for change.

The Taskforce is made up of experts from business, organisations that represent businesses, employees and families, non-government bodies and government departments.

This is the report and recommendations of that group to Government, employers and organisations that represent employers and employees.

Membership of the Taskforce

Co-chairs: Amanda Rowlatt (DWP, Director for Child Poverty), Emma Stewart (Women Like Us)

Dr. Adam Marshall (British Chambers of Commerce)

Andrew Carruthers (Family and Parenting Institute)

David Curtis (Women Like Us)

Gaby Hinsliff (Journalist)

Janice Shersby (Government Equalities Office)

Dr. Joel Burden (Third Millennium Information Ltd)

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Sue Davis (Bourne Leisure)

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Foreword

Co-chairs of the Family Friendly Working Hours Taskforce

Emma Stewart (Co-founder Women Like Us)

Amanda Rowlatt (Director for Child Poverty, DWP)

We were delighted to be invited by the Secretary of State for the Department for Work and Pensions to chair this Taskforce looking at flexible working practices. As it brings together a group of representatives from business, organisations that represent business, employees and families, and non-government bodies and government departments it has provided an excellent opportunity for joined up working between business, government and non-government organisations.

Our aim was to explore what more can be done to support and encourage more employers to increase the availability and accessibility of quality flexible and part time work. We were asked to explore the challenges of increasing flexible working opportunities at all levels and provide recommendations for change, drawing on our different experiences and expertise. In doing so, we have been struck by the common themes running through the experiences of the wide range of stakeholders and this supports what the evidence tells us.

The social benefits of increasing flexible working opportunities are clear. Enabling more people to work flexibly will improve their lives by providing a better balance between work and home. It will also reduce the number of people dependent on benefits, reduce the number of children of working parents who live in poverty, enable older workers to stay in the labour market, and enable carers to balance their caring responsibilities with paid work and help employees in general to have a better work–home balance.

Many women who work part time are working below their potential. Evidence shows that half of all women working part time have previously held jobs requiring higher levels of skills or qualifications or more managerial or supervisory responsibility. Part time jobs are largely found in a limited number of sectors and often involve positions which are lower paid. It also means that there are fewer opportunities for others at the lower end of the skills market to enter the labour market. This is a huge loss to the economy and results in inequality in the workplace. The estimated costs of under-utilising women's skills is estimated to be between 15 and 23 billion pounds or 1.3 to 2.0 per cent of GDP.¹

Part time working is one of a range of ways of working flexibly. We want to raise awareness of the full range of options and to change the perception that part time working necessarily involves a fixed number of hours or days a week and that flexible working necessarily means working fewer hours.

Modern attitudes towards parenting also mean that more fathers want to be able to work flexibly in order to spend time with their family and play an active role in raising their children. More carers want and need to work flexibly in order to balance their caring responsibilities with paid work. Older workers want and need to extend their working lives but do not necessarily want to work full time. Employees, more generally, want to better balance their obligations in the workplace with their responsibilities at home.

¹ The Women and Work Commission (February 2006) 'Shaping a Fairer Future'

What has been evident from our discussions is that there are clear benefits to business in implementing flexible working, and that there already exists much good practice, so we are looking to build and expand on the progress that has been made.

We believe that in order to achieve true cultural change, where availability and take up of flexible ways of working is considered the norm and opportunities have increased at all levels, more needs to be done to better promote the business case for flexible and part time working to employers – to see it as a genuine opportunity to build greater efficiencies, increase productivity and gain access to a wider talent pool. Importantly more support is required to help all businesses to implement flexible working.

So this report aims to look at the issue from the perspective of employers and sets out recommendations for what more can be done to both encourage and support employers to realise the benefits of flexible working in their organisation.

Aspirations of the Taskforce

Our aspiration is for the UK to become the leading economy for 21st century flexible working practices, supporting sustainable economic growth through improved work-home balance.

We strongly believe that as well as a powerful social case there are clear business benefits for flexible working across different sectors, job levels and size of organisation. There is a wealth of evidence to support this, and the recession has created a climate where there is an even stronger appetite for flexible working.

Businesses will benefit from a wider talent pool and better practices which have been found to increase productivity. When employers are recruiting or re-organising their businesses they can look for people with the right skills and aptitude without being limited by historic work patterns.

But we need to ensure that more employers see the business benefits, and importantly are supported to make flexible working a part of their business.

This approach will benefit all employees including those who are parents, carers and older workers.

We strongly believe that in order for real change to be achieved, there needs to be joined up and collaborative working between employers, organisations that represent business, employees and families, and non government bodies and government departments.

Specifically our vision for change will mean that employers, employees and their representative organisations, non government bodies and Government should work towards:

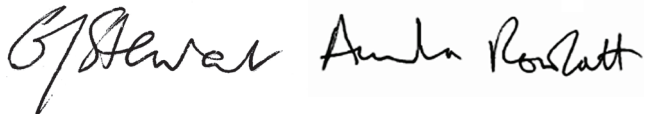
- promoting flexible working practices across all sectors regardless of job level.
- challenging the perception that 9 to 5 work is the default option - empowering employers and employees to have a well-informed, confident and productive discussion on the flexible working options that may be suitable for a role.
- promoting the business benefit of flexible working and ensuring that employers are fully supported to be able to implement practices in their organisation.

Therefore our report includes both strategic and practical recommendations for Government, employers, non government bodies and organisations that represent employers and employees.

In making our recommendations we have taken into account the current economic environment. The recommendations we are putting forward are pragmatic, make the best use of current resources available and build on rather than replicate the recommendations from other groups.

We have valued the opportunity to come together and collectively pool our views, experience and expertise to enable us to generate both strategic and practical recommendations for real change.

We look forward to seeing Government's response to our recommendations and welcome feedback from employers, non government bodies, organisations that represent employers, employees and families and others with an interest in improving the availability and quality of family friendly working practices.

Handwritten signatures of Emma Stewart and Amanda Rowlatt in black ink.

Emma Stewart and Amanda Rowlatt

(Co-chairs of the Family Friendly Working Hours Taskforce)

Executive Summary

This report and its recommendations are based on the discussions and insights of the Family Friendly Working Hours Taskforce - a group of representatives from business, organisations that represent business, employees and families, non government bodies and government departments – to provide expert perspective on flexible working practices.

The Taskforce was established in November 2009 by the Secretary of State for the Department for Work and Pensions. Although the creation of the Taskforce was originally driven by the desire to make jobs more family friendly for those with children, the benefits of this are not limited to parents but will have benefits for other groups such as older workers and carers of older or disabled relatives and friends.

The aspiration is that by enabling more people to work flexibly, as well as improving work life balance, this will help achieve reductions in the number of people dependent on benefits and the number of children of working parents who live in poverty and a reduction in carbon emissions by changing the pattern of travel to and from the workplace.

Why is flexible working important to both employers and employees?

Flexibility in the workplace is about developing modern working practices to fit the needs of the 21st century. Both employers and employees can gain from flexible working opportunities as both parties have the flexibility to organise their working arrangements in a way that suits them. This can enable organisations to adapt to changing business conditions and individual employees to better balance their work and family life.

For businesses, flexible working can help retain staff – and holding onto experienced and skilled staff is important in maintaining quality and containing costs. Offering flexible hours widens the talent pool, so employers should be able to recruit people with more skills; it can also increase commitment and loyalty of staff members. This can in turn translate into improved productivity and by extension improved profitability.

For employees, flexible working allows them to better balance their home life with their responsibilities at work. In today's society, both men and women want to find a balance between work, family and caring responsibilities which are shared more equally than ever before.

The world of work has seen enormous economic and social changes. The Taskforce believes that flexible working is good for businesses, families, older workers, carers and a growing population who want a better balance between work and home life. There is a wealth of evidence to support this, and the recession has created a climate where there is an even stronger appetite for the business case for flexible working.

The business case for flexible working

The evidence demonstrates that there is a strong and compelling business case for flexible working:

- **Falling absenteeism and higher retention leads to a reduction in costs** – 65 per cent of employers said flexible working practices had a positive effect on recruitment and retention thus saving on recruitment, induction and training costs.
- **Increased productivity** – 58 per cent of small to medium sized enterprises reported improvement in productivity.
- **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
- **Greater loyalty amongst staff** – 70 per cent of employers noted some or significant improvement in employee relations.

Recommendations for change

We have produced a number of recommendations to support cultural change with regard to flexible working – these should increase the number and range of jobs that can be worked flexibly in some way, and so increase the supply of high quality staff to employers. In considering our recommendations, we recognise that different jobs are suitable for different forms of flexible working. Our ultimate vision is that employers are supported to develop flexible working practices so that roles are defined based on their outputs, and full time 9 to 5 working is no longer the default working arrangement.

Bearing this in mind, we have made both strategic and practical recommendations for government, employers and organisations representing employers and employees. We have structured the recommendations under three main themes

- Supporting employers
- Public sector leading by example
- Stimulating the recruitment market

Supporting employers

Strategic recommendation:

To support cultural change across the labour market the Taskforce recommends that Government convenes a small group of representatives from business and organisations representing employers to discuss, agree and promote a business case that employers will listen to. The results of this group should feed into the work to enhance Businesslink.gov.uk as a portal to encourage and support flexible working.

Following from this, we believe that practical steps are required to ensure that the messages around flexible working are clearly communicated and information on the business benefits is accessible to all employers.

Practical recommendation 1: One stop portal for employers

Building on the commitments in 'Building Britain's recovery' the Taskforce recommends that Government reviews the reach and content of Businesslink.gov website with regards to flexible working. The portal should include or enhance its information on:

- The business benefits of flexible working, including using case studies covering a variety of different, size, sector and types of employers demonstrating how these practices can be implemented
- Practical hints and tips (covering job design, recruitment and management) drawing on existing guidance from a range of organisations rather than commissioning new work.

In doing so, it should clearly distinguish the information it provides on legislation and regulation from information that provides more practical help and encouragement.

The Taskforce recommends that organisations such as the British Chambers of Commerce (BCC), the Confederation of British Industry (CBI), the Chartered Institute of Personnel and Development (CIPD) and the Trades Union Congress (TUC) proactively promote the flexible working pages on Businesslink.gov.uk to its members and specifically that links are placed on trusted sites.

Practical recommendation 2: Support for employers without dedicated HR function

Beyond enhancing the information on flexible working on Businesslink.gov.uk, the Taskforce recommends that Government reviews the practical just-in-time advice and tailored support mechanisms that are currently available. It should assess the scope to improve accessibility and availability of provision so that small and medium enterprises (SMEs) and organisations without a dedicated HR function are supported to effectively design and manage flexible jobs. For example, the Government could consider piloting an on-line forum linked to the Business Link website which allows businesses to post questions, advice and comments on flexible working practices.

Practical recommendation 3: Encouraging larger employers

The Taskforce recommends that larger employers review their practices in relation to flexible working in the light of this report and its follow on actions.

Public sector leading by example

Strategic recommendation: Government

The Taskforce recommends that Government continues to lead by example and actively encourages central government departments and other public sector organisations to improve their own practices in terms of designing and managing flexible jobs at all levels. Design and management of flexible jobs should be built into management training in the public sector.

To challenge the default assumption that all jobs are full time and fixed hours/location:

- Hiring managers in central government departments and other public sector organisations should consider how a role can be worked flexibly before recruiting both internally and externally, so that job adverts reflect the need to ensure that potential candidates who want to work flexibly do not feel constrained in applying.
- Job vacancy information in the public sector should clearly indicate where flexibility is available.

Stimulating the recruitment market

Strategic recommendation

The Taskforce recommends that Government consults with recruitment agencies (including Jobcentre Plus) on how best to stimulate the recruitment market for permanent and high quality flexible workers, and specifically on the role the recruitment sector can play in encouraging employers to adopt flexible working practices and in matching candidates.

Practical recommendation: the role of Jobcentre Plus

The Taskforce recommends that Jobcentre Plus enhances its specialist training for its employer engagement team to enable them to confidently and systematically discuss with employers the benefits of offering more flexible roles within their organisation.

It also recommends that when the IT service improvements to help identify and match job seekers to part time and flexible job opportunities are implemented (as set out in Building Britain's Recovery), JCP actively promotes this service and the benefits it can bring to all businesses.

1. Introduction

We believe that in order to achieve true cultural change, where flexible working opportunities have increased at all levels, more needs to be done to promote the business case for flexible working to employers and importantly more support is required to help all businesses to realise the benefits of flexible working in their organisation. This report is aimed at employers and sets out the recommendations of the Taskforce.

1.1 Economics of the job market

On the face of it, there is a relatively open and flexible market for labour in the UK – there are vacancies and lots of people looking for work, and many people already working part time or flexibly. So in principle people should move to the places best suited to their skills, and be paid a wage that reflects their productivity.

So why is intervention required? Research suggests that most full time employees would prefer to work shorter hours.² And though the availability and take up of flexible working practices is increasing, some forms of flexible working – especially part time work – are concentrated in low paid and low skilled jobs, where opportunities for progression may be limited.

There are some plausible market failures that may help to explain this.

- Many employees think that if they ask to work shorter hours their employer will think they are not committed to their job.
- Where the proportion of people who apply to work part time and the proportion of posts that are part time are both relatively small, matching the demand and supply can be more difficult than for full time posts and so may mean the market does not operate effectively.
- Employers may not know enough about recruiting and managing part time/flexible workers and see it as an extra burden
- It may not be in recruitment agencies' interest to recruit part timers or job sharers if they are paid a share of the wage, as the work required by them is the same or more.

This is why we have concentrated specifically on understanding how employers can be encouraged and supported to offer and implement more flexible working practices.

2 The Work Foundation (2001) 'Gender, employment and working time preferences in Europe'

1.2 What do we mean by flexible working?

Flexible working includes, but is not limited to, part time working. It encompasses a range of options including part time working and can include job sharing, flexible hours, compressed hours, term time working and working from home, or varying start and finish times.

Part time work is sometimes defined as working for less than 30 hours a week or less than the normal working week of comparable jobs. It is often seen by employers as meaning fixed times during the working week. This working pattern can be regarded both by employers and employees as being too restrictive to meet their needs.

We feel that it is important to move away from this narrow definition and set part time work in a much wider context of the range of flexible working practices available. By moving away from traditional perceptions of part time work it is hoped employers will broaden their understanding of the full range of flexible working practices and be encouraged to offer more flexible working opportunities, as some already do.

We believe it is economically efficient for everyone to have the same opportunities to progress, in order to make the best use of talent in the UK. We have therefore defined quality as “everyone has the same opportunities for progression, equal pay, training and responsibility regardless of the number of hours and patterns they work. In addition to ensuring there is equality between people working different hours and patterns, improving quality family friendly working practices also means increasing the availability of flexible jobs at supervisory and management levels.”

1.3 Why is flexible working important to both employers and employees?

1.3.1 Employers

Flexibility in the workplace is about developing modern working practices to fit the needs of the 21st century. Flexible working opportunities can be good for everyone – both employers and employees have the flexibility to organise their working arrangements in a way that suits them. This can enable organisations to adapt to changing business conditions and individual employees to better balance their work and family life.

For businesses, flexible working can help retain staff – and holding onto experienced and skilled staff is important in maintaining quality and containing costs. Offering flexible hours widens the talent pool, so employers can recruit people with more skills, and also potentially recruit and retain committed and loyal staff members. This can in turn translate into improved productivity and by extension improved profitability.

Employers recognise the benefits of two-way flexibility to ensure they can provide quality services when customers need them. A flexible workforce can also adapt quickly to changing business conditions.

Interestingly, the global recession has provided more opportunities for flexible working: a trend to emerge from the recession is a shift towards flexible working in order to minimise redundancy. In their recent research King’s College London found that 28 per cent of organisations had increased flexible working arrangements and 21 per cent had increased part time working, as Human

Resource teams have looked to these as alternative measures to redundancy. In this respect the recession may have acted as a catalyst for a sustained shift in the growth of flexible and part time work. Additionally, the CBI report, *Employment Trends*, found that the most popular response to the recession was to increase the use of flexible working. The report found that more than two thirds of employers had increased flexible working (50 per cent) or intended to in the near future (30 per cent).³

Case study: KPMG

In February of this year, KPMG introduced a new scheme, Flexible Futures, designed to minimise the prospect of large scale redundancies in the current recession and enable the firm to retain its talented people. Under the scheme, staff were invited to sign up to the possibility of being asked to reduce their working week by a day with that day unpaid and/or take sabbatical leave of between four and twelve weeks at 30 per cent of pay. 85 per cent of staff signed up for the scheme. Over the past year, 99 per cent of flexible working requests have been accepted by KPMG.

Employers have shown greater flexibility in dealing with the recession. However, there have still been a significant number of redundancies, broadly equivalent to the 1990s recession. Those who have lost their job have often found alternative part time work, with now over one million people working part time who would prefer a full time job, up 300,000 since the start of the recession. The Office for National Statistics (ONS) labour market statistics also reveal that there are 426,000 people currently in temporary work because they cannot find a permanent position, up by a quarter on this time last year.

In terms of flexible working, the effects of this recession can be seen as both negative and positive. Negative, because it has meant an increase in the number of part time workers who would prefer to be full time. However positively, the response from employers in offering more flexibility indicates that there is potential for changes in organisational attitudes and in-house capability to both embrace and make flexible working have a much longer term effect. Therefore, it is vital now that we learn lessons from the recession and build on them to ensure that the messages about flexible working extend beyond just focusing on part time work.

Increased flexibility in the workplace is a necessity if the economy is to return to sustained growth. In order to increase productivity and to give the economy a competitive advantage it is necessary to draw on and develop all available resources. The Women and Work Commission (WWC, 2006)⁴ identified that a shortage of high quality part time work across sectors and occupations in the UK means that many women are being crowded into a narrow range of low paid, part time jobs which do not fully utilise their skills. This, the Commission argues, wastes talent and opportunity, and represents lost productivity for the UK economy.

1.3.2 Employees

For employees, flexible working allows them to better balance their home life with their responsibilities at work. In today's society, both men and women want to find a balance between work, family and caring responsibilities which are shared more equally than ever before.

⁴ The Women and Work Commission (2006) *Shaping a Fairer Future*

Evidence Box 1

- Although nearly half (47 per cent) of fathers thought that the father's role is to provide, only 23 per cent of fathers (compared to 34 per cent of mothers) thought that childcare is the primary responsibility of the mother.⁵
- 62 per cent of fathers surveyed thought that fathers (in general) should spend more time caring for their children.⁶
- Around half (51 per cent) of working parents feels their relationship with their children would improve if they could work flexibly.⁷
- A third (33 per cent) of working fathers said they miss out on and would like to be there for breakfast with their children and just under a fifth (19 per cent) would like to be there for bedtime.⁸
- Flexi-time and working from home were the most favoured options by men; 33 per cent of fathers and 28 per cent of non fathers had used flexi time in the last year; 28 per cent of fathers and 21 per cent of non fathers had utilised a working from home option in the same time period.⁹

Finding work with flexible hours, which involves minimal travel, to fit around family and childcare responsibilities is an emerging theme.

Evidence has also indicated that the offer of flexible working options is important to employees when looking for or deciding to take a job.

Of those employees who had at least one form of flexible working available to them, and who either knew, or thought, it would be available when they applied or were offered the job, 54 per cent said it was a 'very important', or 'quite important' factor in their decision to take up the job¹⁰.

This group is made up of a much greater proportion of female employees with dependent children than male employees with children, or those without children; and a greater proportion of those who care for someone with ill-health/disability¹¹, than who do not have these responsibilities.

For those that are not in paid employment, but who are looking for work¹², a substantial majority (78 per cent) regard flexible working arrangements as 'very important' or 'quite important' in a job.

5 Equality and Human Rights Commission (2009) Working Better: Fathers, family and work-contemporary perspectives.

6 Equality and Human Rights Commission (2009) Working Better: Fathers, family and work-contemporary perspectives.

7 Bowden, P (2009) 'Flexible working; benefits and barriers Perceptions of working parents' GEO research report

8 Bowden, P (2009) 'Flexible working; benefits and barriers Perceptions of working parents' GEO research report

9 Biggart, L and O'Brien, M (2009) Fathers' working hours: parental analysis from the third work-life balance employee survey and maternity and paternity rights and benefits survey of parents, Centre for Research on the Child and Family, University of East Anglia.

10 Department for Work and Pensions in house analysis of the British Market Research Bureau Omnibus module 'Caring and Flexible working' (June 2008)

11 This group is defined as those who look after, or give any help or support to family members, friends, neighbours or others because of long standing physical or mental ill-health or disability, or problems relating to old age.

12 Defined as those who are unemployed and looking for work; not working (looking after home/family); retired or students.

1.3.3 Corporate Social Responsibility

Highlighting corporate social responsibility (CSR) is seen as one way to bridge the gap between employer and employee and more broadly society as a whole. CSR is about business acknowledging its responsibility for the impact of its activities on the environment, consumers, employees and the wider community. By operating in this way CSR can have a positive impact on an organisation's bottom line. For example, reducing waste and CO2 emissions not only has an environmental impact but it can save money.

CSR may, for example, improve the 'brand' value of an organisation both internally and externally. BT found that 59 per cent of employees said their corporate responsibility and sustainability programmes made them proud to work for the company. As a 'fair employer' BT has also developed a portfolio of leading edge working practices e.g. flexible working. More than 15,000 of its employees work from home and some 64,000 are equipped to work flexibly, using whichever locations are convenient to them on a particular day. Together with other initiatives it has made it possible for the percentage (over the last 5 years) of its UK female employees returning to work after taking maternity leave to reach 96 – 99 per cent, more than the twice the national average.

1.4 Why was the Taskforce created?

The Family Friendly Working Hours Taskforce was created by Yvette Cooper, Secretary of State for DWP, primarily to support parents to enter and return to quality work that will enable them to improve prospects for themselves and their families while balancing their parental responsibilities. It was formally announced in 'Building Britain's Recovery'¹³ and its purpose was to explore the challenges around improving the availability and quality of family friendly working practices – focusing on working hours and patterns – and provide recommendations for change.

The Taskforce brings together a range of employers, organisations that act on behalf of businesses, employees and families and non-government bodies and key government departments. It is chaired by Amanda Rowlatt (DWP, Director for Child Poverty) and Emma Stewart (Women Like Us).

1.5 Remit and focus of the Taskforce

Given our remit, we have chosen to focus on flexible working rather than broader issues such as parental leave, maternity pay and childcare provision. Clearly these issues are important, but to add value in the time available and to properly focus on family friendly working hours it was agreed we would concentrate on flexible working.

We think that the mix of experience and knowledge within the Taskforce has helped to sharpen the focus of the discussion and concentrate the direction of the group. It is worth noting that having government representatives from different departments on the Taskforce was welcomed by employers and non government organisations as an opportunity for real 'joined-up' working.

¹³ Department for Work and Pensions (December 2009) Building Britain's Recovery: Achieving Full Employment.

We acknowledge that in order to increase the availability and quality of flexible working, support needs to be directed at both employers and employees. Employees need to be supported to understand not only their rights with regards to flexible working but also understand the possibilities of flexible working in terms of the range of practices that are available. Whilst there are support and campaigns (by both government and non government organisations) aimed at boosting parents, carers and employees awareness of their rights, there seems to be less targeted and coordinated support directed at employers. Therefore, the remit of the taskforce was designed to focus on support for employers.

We strongly felt that 'Family Friendly' was not the right terminology to capture employers' perspectives and therefore any communication to employers (including this report and its recommendations) needed to be framed in terms of the business benefits that flexible working offered.

It was also clear that there is not one simple solution for all employers. Different sizes of businesses and different roles can offer different flexibilities and challenges. A balance between the needs of the individual and the needs of the role/business needs to be struck. Employers should be encouraged and supported to be able to make confident and accurate assessments of the flexibilities that could be adopted into a role. And, importantly, they should be supported in being able to effectively manage and develop employees who work flexibly.

We were also clear that although the creation of the taskforce was originally driven by the need to make jobs more family friendly for those with children, the benefits of this are not limited to parents but will also impact on other groups such as older workers and carers of older or disabled relatives and friends. It was felt that an approach focusing on one group over another would not achieve the cultural change in attitudes and behaviour that is required to make flexible ways of working a standard practice in businesses. Of course, some employment rights such as the right to request flexible working apply to certain groups. However, not every flexible working opportunity offered by a company will be in response to a statutory request, and an increasing number of employers have an established policy of considering requests from all employees.

Therefore we agreed recommendations would focus on cultural change amongst employers in terms of encouraging and supporting rather than legislating them to offer flexible working practices.

1.6 Recommendations from other groups

The Taskforce recognises that flexible working and the benefits it brings is an important agenda across many government and non-government departmental bodies. For example, the Equality and Human Rights Commission's 'Working Better' report made recommendations for both legislative change and an increase in Government investment in training and awareness campaigns around flexible working. The Women and Work Commission looked at the causes of the gender pay gap and came up with practical ideas about how to close the gap which included improving the availability of flexible working. The Department of Health has been looking at ways to increase well-being which includes a focus on flexible working to reduce workplace stress.

In promoting the business case for flexible working to employers we acknowledge and welcome other work being done in this area. The report and the recommendations generated from it will therefore build on rather than replicate what is already being done.

2. The current situation

2.1 Progress so far

We recognise and welcome the progress that has been made in the availability and take up of flexible working practices.

The introduction of the right to request flexible working legislation can be seen as a positive tool in encouraging the take up and offering of flexible ways of working. The right to request flexible working was introduced for carers and working parents with children aged up to 6 in 2003 and was extended to cover parents of children 16 and under in 2009. To exercise the right employees need to have been in continuous employment with their employer for 26 weeks.

Current estimates suggest that 91 per cent of employees have access to at least one form of flexible working. The most universally available flexible working arrangement is part time hours (available to 73 per cent of all employees), followed by flexi-time (51 per cent), job-sharing (46 per cent), other flexible arrangements (39 per cent), working term-time only (38 per cent), working a compressed week (37 per cent), working annualised hours (34 per cent), and regular home working (24 per cent).¹⁴

Of those employees who have one or more flexible working arrangements available to them, 62 per cent are either working flexibly or have taken up at least one flexible working arrangement in the last 12 months with their current employer. Overall 56 per cent of all employees said they had taken up at least one flexible working practice in the last 12 months with their current employer.¹⁵

The Third Work-Life Balance Employer Survey found that the vast majority (92 per cent) of employers would consider a request to change a working pattern from any employee despite legislation only requiring employers to do so from some employees. Amongst those employers where a request had been made in the previous 12 months, just nine per cent said they had turned down any requests. The survey reported that employers continue to hold predominantly positive attitudes towards work-life balance and to perceive its benefits for employees and workplaces alike, although it is clear that most employers feel that the implementation of flexible working practices is not always easy, and should not be expected by employees where it would cause disruption to the business.

Of those employees who do work flexibly, only 27 per cent had to approach their employer to make a request to work in this way. Female employees who work flexibly are more likely to have made a request to change the way they work than male employees.¹⁶

¹⁴ Department for Work and Pensions in house analysis of the British Market Research Bureau Omnibus module 'Caring and Flexible working' (2008)

¹⁵ 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 Department for Work and Pensions (DWP) in house analysis of the British Market Research Bureau (BMRB) Omnibus module 'Caring and Flexible working' (June 2008)

A greater proportion of parents who currently work flexibly made a request than non-parents. Those who work flexibly and look after someone with ill-health/disability¹⁷ are more likely to have made a request to work flexibly than those who do not care for someone in this way.

A greater proportion of requests to work flexibly from those with at least one flexible working arrangement available to them were made when the employee had been in the job six months or more (68 per cent), compared to 21 per cent when the employee had been in the job less than six months. The majority (52 per cent) of requests were made when the employee had been employed for more than a year, and a larger proportion of this group were from those with the 'right to request'¹⁸. This could imply that requesting flexible work is not particularly linked to the timeframes outlined in the rules for the statutory right to request, or it may relate to lack of awareness of the right^{19,20}.

There are also indications of a cultural shift in sectors renowned for having a long hours culture. For example, it has recently been reported that Allen and Overy – one of the largest law firms in the City – is now allowing its senior partners to work flexibly. This includes the option of working four days a week or taking additional leave of up to 52 days a year. Flexible working is already available to its junior partners and support staff. This measure is intended to address the gender imbalance which exists at the top of many law firms.

The Government has set out a series of commitments and plans to promote and encourage family friendly working practices. For example: 'Building Britain's recovery' (2009)²¹, 'Support for all: the families and relationships green paper' (2010)²² and 'Working towards equality: A framework for action' (2010)²³. All include steps to improve opportunities for flexible working including: highlighting those employers with exemplar flexible working practices; and improving Government IT to offer 'job-brokering' services that will help people find the right job and help job-share arrangements.

Developing new training for middle managers in managing part time staff and looking at ways to support further development of a robust childcare sector to provide childcare for parents at times more suited to their working patterns, are also seen as ways to help stimulate the flexible working market.

The commitments spring from the belief that during a time of economic recovery, it is important to draw on, develop and retain all available experience and talent.

17 This group is defined as those who look after, or give any help or support to family members, friends, neighbours or others because of long standing physical or mental ill-health or disability, or problems relating to old age. 29 per cent of this group are also parents of dependent children.

18 At the time the survey was carried out, the 'right to request' flexible working was available to those who had been with their employer for 26 weeks, and either had a child under the age of six or a disabled child under the age of 18; or were a carer who cares, or expects to be caring, for an adult who is a spouse, partner, civil partner or specified relative, or who although not related to them, lives at the same address as the person providing the care.

19 Elsmore, K (2009) 'Caring & Flexible Working' Department for Work and Pensions research report summary series.

20 Department for Work and Pensions in house analysis of the British Market Research Bureau Omnibus module 'Caring and Flexible working' (2008)

21 Department for Work and Pensions (December 2009) Building Britain's Recovery: Achieving Full Employment

22 Department for Children, Schools and Families (January 2010) Support for All: the Families and Relationships Green Paper

23 Government Equalities Office (February 2010) Working towards equality: A Framework for action

2.2 Building on progress

While the Taskforce welcomes these commitments we believe there is more that could be done. In particular we are keen to ensure that any measures and messages around flexible working are articulated and framed in a way that demonstrates the business benefits to employers. Family friendly working practices are not always seen as serving employers' needs. By drawing a link between flexible working practices and employer benefits we hope to demonstrate how flexible working practices can help businesses to adapt and grow.

It is also important to acknowledge that many flexible working arrangements are made through informal negotiation or by applying for a job where the right flexible working pattern already exists. In some organisations a range of possible working patterns have become business as usual, and many organisations offer this more widely than just to parents and carers.

2.3 Further challenges

While the statistics above reveal a positive picture, they do not tell the whole story. The increase in part time working can be limited to certain, often lower paid sectors and jobs. This can disadvantage both men and women but the greater impact is on women, many of whom will have breaks from employment to have children and need to work more flexibly to balance their work and caring responsibilities. In 2008, 38 per cent of women with dependent children²⁴ worked part time, as compared to seven per cent of men with dependent children.²⁵ The part time pay gap in hourly earnings (which compares women's part time pay to men's full time pay) is 39.4 per cent and given it is women who do the larger share of part time working, this impacts them the most.²⁶

An Equal Opportunities Commission survey²⁷ of individuals found strong evidence that for many people, working part time has been a compromise – a trade off in working arrangements to meet the need for flexibility that could not be found in full time and better paid work. Another report²⁸ suggests part time hours entail part time pay and for most employees the flexibility afforded by part time hours is not financially viable.

24 Office for National Statistics defines 'dependent children' as "children aged under 16 and those aged 16 to 18 who are never-married and in full time education"

25 Office for National Statistics (2008) Labour Force Survey, Quarter 2

26 Office for National Statistics (2009) Annual Survey of Hours and Earning,

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

28 Smeaton, D., Young, V. and Spencer, S. (2007) The future of work: employers and workplace transformation. Equal Opportunities Commission working paper series. Manchester

Evidence Box 2²⁹

- Part time work was by far the most commonly available type of flexible working – three-quarters of employees (74 per cent) said that part time working was available where they work, with 40 per cent saying that it was available to all staff.
- However, part time working was running some way behind flexi-time, home-working and time off in lieu (TOIL) in the choice list for how people wanted to be able to work.
- Where it was available, part time work had been used by 50 per cent of people (TOIL 79 per cent, working from home 73 per cent, and flexi time 71 per cent) with 66 per cent of employees for whom it was available saying they had not used it because they could not afford to.
- 47 per cent of people working part time, increasing to 59 per cent with children under 5, disagreed that their work was their ideal choice.
- A quarter of women (24 per cent) working part time would prefer to work full time, but said there were no opportunities for full time work with their employer.
- Being unable to find full time flexible work was a problem for 43 per cent of adults working part time, both men and women.
- 57 per cent of part time employees, 72 per cent with children under 5, said they would have made different choices if better flexible working options were available to them.
- 51 per cent of women aged 25-54 working part time and working below their potential were doing so because it was the only work they could get where they could combine work with caring for children.

2.3.1 Gender differences

Women are still the primary carers in our society and, as a result, face the greatest difficulties in reconciling their caring responsibilities with the demands and expectations of full time work. There has been a net increase of 1.5 million women in the UK labour market since the last recession in the 1990s.³⁰ Combined with the increase in the proportion of lone mother households, this means that women's wages are more important than ever to the family budget.

However, it is also true that modern parenting attitudes no longer fit into the traditional expectations of the workforce. Parents are jointly making decisions about managing tasks and responsibilities to meet the needs of their children and the family. Childcare is no longer seen as largely a women's responsibility. Only 29 per cent of parents agree that childcare is the mother's primary responsibility, while 42 percent disagree.³¹

²⁹ Holmes, K., Ivins, C., Hansom, J., Smeaton, D. and Yaxley, D. (2007) The future of work: individuals and workplace transformation. Equal Opportunities Commission Working Paper Series. Manchester.

³⁰ Government Equalities Office (February 2010) Working Towards Equality: A framework for action

³¹ Equality and Human Rights Commission (2009) Working Better – meeting the changing needs of families, workers and employers in the 21st Century.

In the context of changing family forms, the role of fathers is crucial to a more equal distribution of work and family care between men and women but fathers' desire to spend more time with their children is being frustrated by inflexible workplaces. At present there is a greater acceptance of the needs of women to be able to work flexibly than of men. The case for greater involvement of fathers is clear. Research also suggests that where fathers take paternity leave it has led to them being more involved in the care of their children and has improved family life³².

There are marked differences in availability of part time working between men and women. Research shows that part time working is available to 52 per cent of women compared to 25 per cent of men.³³ The gender gap in availability is greater for parents of children under one (68 per cent of women working part time versus 14 per cent of men) and under six (61 per cent of women versus 19 per cent of men). While both men and women are requesting flexible working, it is harder for men to access it. In addition 2 out of 5 men are afraid to ask for flexible working, for fear of harming their career prospects, despite many fathers stating that they would like to be involved in bringing up their children. This indicates a cultural shift is required amongst both employers and employees if more men are to be encouraged to request flexible work.

Research suggests that many women and men who work part time seem to be working below their potential, an estimated one in five of the working population. Out of every 10 part time workers, five have previously held jobs requiring higher levels of skills or qualifications or more managerial or supervisory responsibility, and an additional three say they could easily work at a higher level³⁴. The impact of people working below their potential has implications for the economy because of lost productivity and is particularly important given the current downturn. It is estimated that this waste of talent costs the economy up to £23 billion.³⁵

32 Ellison, G. et al, (2009) Equality and Human Rights Commission research.

33 Equality and Human Rights Commission (2009) Working Better - meeting the changing needs of families, workers and employers in the 21st Century

34 Equal Opportunities Commission investigation taken from Working families (2005) Hours to Suit: The Hidden Brain Drain

35 The Women and Work Commission (2006) Shaping a Fairer Future

Evidence box 3

- 42 per cent of working women and 12 per cent of working men are currently in part time employment.³⁶
- The wholesale, retail and motor trades, as well as hotels and restaurants have the highest proportion of women working part time.³⁷
- 57 per cent of women in manual jobs work part time, compared with only 24 per cent of women in managerial and professional jobs.³⁸
- There are fewer part time jobs available in higher-level occupations, meaning that women wishing to work on a part time basis are competing for lower-level jobs.³⁹
- Among women who work full time, the proportion employed in high-level occupations has risen threefold over 20 years, while for part time workers the figures have barely changed.⁴⁰
- Downgrading when moving to part time work affects as many as 29 per cent of women from professional and corporate management jobs, and up to 40 per cent in intermediate level jobs.⁴¹
- Downgrading affects between 35 and 41 per cent of women in high-skill occupations who also move employer when changing to part time work, compared with only eight per cent -18 per cent who stay with the same employer.⁴²
- 69 per cent of female part time workers who downgrade, or around 1.25 million women in the UK aged 25-54, are “stuck,” working below their potential.⁴³

Those who reduce their working hours often have to accept reduced status, pay and career prospects. This reinforces the gender pay gap.

The lack of availability of quality flexible work exacerbates this further. Only seven per cent of managers and senior officials work flexible hours compared to 33 per cent of those in administrative and secretarial occupations. Only eight per cent of those in skilled trade occupations work flexible hours compared to 52 per cent of those in personal service jobs and 57 per cent in sales and customer service jobs⁴⁴. Lack of quality flexible work is seen by many as a barrier to being able to take on more senior positions.

36 Labour Force Survey (2009)

37 Labour Force Survey (2009)

38 Warren, T (2003) 'A privileged pole? Diversity in women's pay, pensions and wealth in Britain', *Gender, Work and Organisation* 10 (5): 605-628.

39 Grant, L, Yeandle, S and Buckner, L (2005) *Working below potential: women and part time work*, Equal Opportunities Commission Working Paper Series No 40, Manchester.

40 Papers, Connolly, M. and Gregory, M. (2008a) p1- 22. 'The part time pay penalty: earnings trajectories of British women', *Oxford Economic Papers*.

41 Connolly, M. and Gregory, M. (2008b) F52-F76. 'Moving down: women's part time work and occupational change in Britain 1991-2001'. *The Economic Journal*, 118 (February).

42 Connolly, M. and Gregory, M. (2008b) F52-F76 'Moving down: women's part time work and occupational change in Britain 1991-2001'. *The Economic Journal*, 118 (February).

43 Grant, L, Yeandle, S and Buckner, L (2005) *Working below potential: women and part time work*, Equal Opportunities Commission Working Paper Series No 40, Manchester.

44 The Women and Work Commission (2006) *Shaping a Fairer Future*.

The lack of well paid or senior part time jobs also means that up to a million older workers who would like to carry on working past retirement but with reduced hours are unable to do so.⁴⁵

The impact of working below one's potential has implications for the economy because of lost productivity and is particularly important given the current economic downturn. The presence or not of women in senior jobs may be a significant factor in determining overall attitude to flexible working. For example, the London Part time Working project found that ten of the eleven companies it interviewed that had offered part time working hours during their recruitment stage had women working within senior positions.⁴⁶

2.4 Why aren't flexible working practices more widespread?

While some employers already offer flexible ways of working to employees, this is not universal practice and evidence indicates (as demonstrated above) that there are still differences within and across sectors with regards to who is offered and takes up flexible working practices.

So why are flexible working practices not offered by all employers to all employees? Or to put it another way, why in 2010, are flexible working practices still not normal in everyday working life in contrast to the traditional 40/40/40 (forty hours a week for forty weeks a year for forty years) model of working?

Progress has already been made, however there are still obstacles, particularly in terms of shifting cultural attitudes to achieve an adaptable labour market that provides business with a flexible workforce to meet its need whilst also enabling individuals to balance work with their home life. However, it is worth noting more UK workers compared with the EU average say their working hours could fit family / social commitments well or very well (85 per cent versus 79 per cent EU average).⁴⁷

The inequality or unevenness in the availability and take up of flexible ways of working that can be seen across different sectors, roles and between men and women / fathers and mothers, is not necessarily down to unwillingness from employers to offer flexible working practices. Evidence has shown that more and more employers are offering these kinds of practices and that these are not just limited to those groups covered by the right to request legislation. So the inequality cannot simply be explained by employers not agreeing with the business benefits of flexible working.

45 Equal Opportunities Commission investigation taken from Working families (2005) Hours to Suit (The Hidden Brain Drain)

46 Gibbons, D. (2009) Centre for Economic and Social Inclusion: London Part Time Working Project.

47 European Foundation (2007) Fourth European Working Conditions Survey

We identified a hierarchy of reasons which may help explain why a cultural shift to widespread flexible working practices amongst employers has not yet been fully realised:

- for some employers the traditional model of full time working (i.e. 9-5 Monday to Friday) is ingrained and the consideration of flexible working options as a possibility for a particular role or in their organisation has not occurred to them.
- some employers are not aware of the business benefits of flexible working.
- some employers are not convinced of the business case for flexible working.
- some employers see the benefits of flexible working but cannot see how it could work in their organisation or are deterred by practical issues.

We also recognised that each working pattern potentially has its own set of unique problems, such as business continuity, accountability or decision making. For example, in the City certain jobs can only be done while overseas markets are open.

2.5 Possible causes

Based on our knowledge and expertise and grounded in our experience of challenges facing employers, we discussed potential factors that could be driving the differences in availability and take up of flexible working.

2.5.1 Poor communication

One of the key barriers or obstacles identified was the lack of consistent and strong messages to employers about the business benefits of flexible working. We felt that there wasn't currently a strong strategic lead which presented a coherent and compelling narrative to employers about why flexible working is good for their business.

We felt that the social case for family friendly working was strong and well articulated both by Government and lobby organisations but that this was not the case for the business benefits. It was acknowledged that there was existing good practice from smaller campaigns either from Government or organisations such as BCC (British Chambers of Commerce), FSB (Federation of Small Businesses) and CIPD (Chartered Institute of Personnel and Development), but this is seen as fragmented advice and information. What is required is a clear strategic lead coordinating and championing information, advice and encouragement to employers.

Government has a clear role to play in this, coordinating its work across central government departments on flexible working irrespective of whether driven by the child poverty, carers, older workers, disability or carbon emissions agenda. The Taskforce calls for more joined up working within Government and also more opportunities for closer working with non government bodies in order to ensure that employers are provided with consistent messages and the practical support they require to implement flexible working practices.

2.5.2 Cultural perceptions

Another key obstacle was seen as cultural misconceptions about employees who want to work flexibly. In changing cultural perceptions we felt it was important to ensure that employees who want to work flexibly (and in particular part time) are not perceived as any less committed to their jobs than full time employees. Linked to this was the perception that flexible working is still seen primarily as something for women and in particular mothers and not men (and fathers). It is worth emphasising that this is not a perception necessarily widely held by employers but in some cases may be a lingering cultural assumption amongst men themselves.

We also acknowledged that there appears to be a cultural tendency to solely design and advertise jobs on the basis of hours worked rather than a focus or requirement to consider whether or how the role could accommodate flexible working in some way, while still achieving the necessary outcomes or outputs. We felt that there needed to be a cultural shift to move managers and employers away from thinking of full time, fixed hours and location as the norm.

Linked to this was the sense that there is a tendency to offer the flexible working option reactively, rather than proactively considering flexibilities at the point of designing a new job or the reconfiguration of an existing job. This was seen as being linked to trust but also a willingness by employers to be flexible in order to retain members of staff. There was also a sense that there may be informal flexible arrangements being agreed between employers and employees on a daily or ad hoc basis but that they may not recognise or label this as a 'flexible working' practice.

In terms of designing, recruiting and managing flexible jobs, we felt that employers, particularly SMEs, do not know where to go for practical help and support to implement flexible working practices in their organisation. We recognised that SMEs in particular do not always have a dedicated or expert HR function available in their organisation. We also acknowledged that not all recruitment practices rely on formal mechanisms such as advertising in newspapers, jobsites or using recruitment agencies. For some SMEs the usual recruitment practices involve using word of mouth.

There appears to be a concern from employers about the impact of flexible working on staff who do not work flexible hours. Offering flexible working opportunities to some members of staff may cause resentment amongst other members of staff. The solution to this may lie in good communication. On the one hand it is important to listen to people's concerns as they arise, on the other hand it is important to ensure business needs are being met. By fully understanding the organisational needs of the business it is possible to balance customer and employee demands.

Other concerns were identified around the implications of certain types of flexible working on the business, such as the impact of home working on security and client / corporate confidentiality. There may also be concerns about managing people who are not present in the office or people not being available when they are needed. There may be perceptions that home workers are not working as hard as those who are in the office, or that those who work fewer hours are not as committed as those working full time. There may also be issues of data protection, data management and data access around the use of remote IT systems.

In addition to these IT and security risks, there may be other concerns about managing staff remotely. Remote working in particular can place a heavy reliance on IT skills. Technology does not remain constant and IT skills can become out of date as quickly as new technology is developed and implemented. This is a particular problem for those who have been out of the labour market for even a relatively short period of time.

We recognise the importance of IT solutions alongside business needs and job re-engineering. More broadly, the right technology could be used to facilitate the implementation of flexible working practices across a range of industries. We are also aware that the introduction of new technology and working practices could lead to 'stress' and other negative attitudes. It is therefore important to have the right support structure in place throughout the change process.

There may also be concerns around health and safety issues about home working in particular. It is important to ensure that the equivalent health and safety checks are carried out at an employee's home as those carried out for someone working on the employers' premises. For example, employers who provide home workers with equipment to carry out their work have a duty to ensure that the equipment is suitable for the job being done and that proper information and training is given on how to use the equipment, so that the job can be done properly and safely. The Health and Safety Executive has issued guidance⁴⁸ specifically around home working to help employers.

2.6 Focus of the recommendations

From this discussion, we focused on three main themes from which to generate strategic and practical recommendations.

These were chosen because they were felt to be a priority and also take into account the recommendations made from other groups. The intention was to build on these rather than replicate them.

The remainder of this report presents the recommendations generated by us within a broader discussion of the following key themes:

- Setting out the business benefits for flexible working.
- Promoting the business case to employers and recognising sector differences.
- Providing practical help and support with job design and re-design and recruitment practices.

⁴⁸ Health and Safety Executive (1996) Guidance for employers and employees on health and safety.

3. The business case for flexible working

The business case for offering flexible working options to employees is strong:

Flexible working can lead to a reduction in costs, notably by helping to reduce staff turnover and absenteeism

The evidence

Replacing staff and training new ones can be very expensive and a high turnover of staff adversely affects any business. For BT, the availability of flexible working arrangements resulted in improved retention, with the percentage (over the last 5 years) of its UK female employees returning to work after taking maternity leave reaching 96 – 99 per cent, saving about £5 million a year in recruitment and induction costs. CIPD estimates that the average turnover cost per employee is £8200, rising to £12,000 for senior managers or directors. So increasing retention can save the business significant amounts of money. Furthermore, through utilising flexible work BT has saved over £500 million in accommodation costs. Home-working has also saved the company £6000 per annum for every home worker employed.⁴⁹

The Third Work Life Balance Survey of employers found that 38 per cent of employers reported that flexible working had a positive effect on absenteeism and 42 per cent reported that it had a positive effect on labour turnover including retention of female staff.⁵⁰ The CBI also asked employers about the impact of granting requests for flexible working specifically in regard to recruitment and retention. 63 per cent said that flexible working practices had a positive effect on recruitment and retention.⁵¹

49 BT.com – Society and Environment

50 Hayward, B., Fong, B. and Thornton, A. (2007) The Third Work Life Balance Employer Survey. Department for Business, Innovation and Skills, Research series No. 86.

51 Confederation of British Industry (CBI) (2009) Employment Trends Survey: Easing Up

Case Study 1 – City Sightseeing Glasgow

City Sightseeing provides sightseeing tours of Glasgow using double-decker buses and tourist guides who 'meet and greet' clients at airports. Employees on the tour buses work 362 days a year between 8.00am and 6.00pm; tourist guide services are provided almost 24 hours a day.

The company offers its employees the choice to work flexible hours. Twice a year at the beginning of the summer and winter seasons, the company writes to its employees to ask how many hours they would like to work in the coming season. This initiative started with older workers over the age of 40 who often want to work reduced hours. The initiative has expanded and now applies to all of City Sightseeing employees. For the company, this has expanded their recruitment market among students and women returning to the labour market. Absenteeism is low and retention rates are around 90 – 95 per cent. Many older workers carry on working for the company after normal retirement age and the company is recognised as an 'Age Positive Champion' by the Department for Work and Pensions.

Source: BCC / CIPD report Flexible Working: Good Business - How small firms are doing it (June 2007)

Flexible working can lead to higher productivity

The evidence

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).⁵² Similarly, the Third Work-Life Balance Employer survey found employers reported a positive effect on productivity.⁵³

In other research⁵⁴ more than half (52 per cent) of those who had worked from home said 'the arrangement allows me to be more productive'. In a YouGov Survey⁵⁵ of 1000 company directors, of the 667 that have flexible-working policies, 50 per cent identified increased productivity as a benefit, and 75 per cent thought that their employees were more productive or at least as productive when working flexibly and at home. US architecture practice, Gensler, the firm behind the new interior of the London Stock Exchange, recently asked 200 senior and middle managers in the services sector about their work environment. Almost half said they found it hard to be creative or innovative in the office and 36 per cent said they were more productive when working at home⁵⁶.

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

53 Hayward, B., Fong, B. and Thornton, A (2007) The Third Work Life Balance Employer Survey. Department for Business, Innovation and Skills, Research series No. 86.

54 Holmes, K., Ivins, C., Hansom, J., Smeaton, D. and Yaxley, D. (2007) The future of work: individuals and workplace transformation Equal Opportunites Commission Working Paper Series. Manchester.

55 YouGov Survey (2006)

56 Gensler (2006) 'These Four Walls: The Real British office' London.

Case Study 2 – Sandwell CCT

Sandwell CCT provides residential care, day care, supported living and respite care to more than 350 service users and families. It cares for adults and children with learning and physical disabilities as well as older people. The company recognises that employees needs change over time. For example, when employees have children, they may want to job-share or switch to be closer to home. Any employee can request more flexibility in working time and working patterns are varied.

The company experiences no particular problems in making flexibility work. It does not use agency staff but draws on a pool of qualified and experienced staff to support its flexible working policies. Some 50 per cent of the staff at Sandwell have been with the company for over 5 years. The company's policies towards flexible working are reflected in its business outcomes. Sickness absence has been reduced to 0.6 days a year, well below that for the care sector as a whole, which produces significant financial savings. Since 1997, employment at the company has gone up from 60 to 280 staff and turnover has increased from £1 million to £9.5 million.

Source: BCC / CIPD report Flexible Working: Good Business; How small firms are doing it (June 2007)

Offering flexible working widens the talent pool and may attract candidates that have higher than average skill levels and bring with them extensive work and life experiences

The evidence

In 2006, the Women and Work Commission estimated that removing barriers to women working in occupations traditionally undertaken by men, and increasing women's participation in the labour market could be worth between 15 and 23 billion pounds or 1.3 to 2.0 per cent of GDP⁵⁷. Furthermore, the report found that many women are working well below their talent, which is an enormous waste of valuable resources. In a survey by the Equal Opportunities Commission⁵⁸ one of the reasons given by women as to why they were working below their full potential was because they could not find part time work which properly utilised their skills and experience. Another report⁵⁹ found that firms offering family friendly practices can attract better recruits. Furthermore, '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.⁶⁰ Another report found that 6.5 million people were not fully using their skills and experience at work and would have made different choices if flexible working had been available. 2.9 million were parents and 3.6 million non-parents. 2.9 million of the 6.5 million were graduates.⁶¹

57 The Women and Work Commission (2006) 'Shaping a Fairer Future'

58 Grant, L, Yeandle, S and Buckner, L (2005) 'Working below potential: women and part time work' Equal Opportunities Commission Working Paper Series No 40, Manchester.

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

60 Coopers and Lybrand (1997) International Student Survey Report

61 Hurrell, K., Botcherby, S. and Darton, D. (2007) 'Out of work or working below potential – assessing the impact of increasing flexible working opportunities' Manchester.

Case Study 3 – ConnectED

ConnectED represents, markets and sells a set of products to the education sector. By providing schools with technology ConnectED helps education providers to introduce children to the technological skills they will need later in life. By using Women Like Us, a specialist in the field of flexible and part time recruitment, directors Mark Stimpfig and Andrew Goff were able to hire a marketing communications manager, a book keeper and a trainer. All three candidates were highly experienced. ConnectED were able to access this talent for the hours they needed for less cost by working with Women Like Us to design roles that were all recruited on a part time and flexible basis. Like a growing number of small businesses throughout London, ConnectED has discovered that by being flexible, they were also able to attract the attention of talented candidates who are 'hidden' from the traditional job market, and gain experience, reliability and commitment in return.

Source: Women Like Us

Case Study 4 – Clock

Clock is a digital media business employing 22 staff. As a result of their flexible work-life balance policies they believe that they are able to attract and retain employees with a high skill-set. With only one leaver in nearly 10 years, Clock has saved money on recruitment and managed to retain lots of valuable knowledge.

Source: BCC / CIPD report Flexible Working: Good Business; How small firms are doing it (June 2007)

Flexible working increases employee engagement and translates into greater commitment and loyalty to the company

The evidence

A BCC survey⁶² 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 25.6 per cent who noted no improvement. A CIPD survey⁶³ 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.

⁶² British Chambers of Commerce (2007) Work and Life; How business is striking the right balance.

⁶³ Truss, C., Soane, E. and Edwards, C. (2006) Working life: employee attitudes and engagement. Chartered Institute of Personnel and Development research report London

Case Study 5 – BT Global Partners

Chris Ainslie is a father of three and managing director of BT Global Partners, a business with sales of more than £500 million a year. From Monday to Thursday, he works 10-hour days. Then he switches off his laptop and mobile and devotes Friday and the weekend to family and outside interests.

Ainslie, 40, made his four-day week a condition of accepting a senior job with the telecommunications company when he was headhunted in 2005. He does it in 40 hours by 'ruthless prioritisation', self-discipline and delegation. 'I make decisions far more quickly. I've never been more efficient than I am now.' In his three years in the job, his directorate's revenues have doubled internationally and grown 14 per cent in the UK, while profit margins have risen from 18 per cent to 23 per cent. The key business benefits are the creation of a group of seven experienced deputies, who take it in turn to run the business when Ainslie is away and increased employee satisfaction levels in his division.

Source: Equality and Human Rights Commission Working Better 'Meeting the changing needs of families, workers and employers in the 21st century' (March 2009)

Flexible working may provide environmental benefits – for example, home working may help to reduce the carbon footprint.

The evidence

An Equal Opportunities Commission report⁶⁴ agrees that flexible work can bring environmental benefits with positive returns for climate change mitigation and reducing transport congestion. It also identifies the fact that during any major disruptive incidents (strikes, fire, the loss of key utilities such as heating in offices, security alerts including terrorism), organisations with innovative ways of working would 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. Flexible working not only addresses issues beyond an employer's control but it also cost effectively expands the number of people who can continue to work normally in a disaster recovery situation

For BT, an increase in home-working has seen a 20.6 per cent reduction in energy usage since 1991. 84,000 litres of heating oil have been saved and metered water consumption is down by 5 per cent on 2000 – 2002 levels.

⁶⁴ EOC (2007) Enter the timelords: Transforming work to meet the future. Final report of the Equal Opportunities Commission investigation into the transformation of work.

There has also been a significant reduction in CO2 emissions: BT estimates it is down 60 per cent on 1996. But working from home does not need to mean staff are disengaged and not as productive as their office counterparts.

Case Study 6 – PI Costing

PI Costing is a niche company undertaking legal services on behalf of solicitors. The company currently employs about 20 employees. The company initially experienced some difficulties in recruiting suitable staff and the decision to focus on work-life balance was aimed at helping to resolve recruitment problems. Director Teresa Aitken says she is committed to considering innovative ways of working and the company encourages people to work from home. The company was initially concerned its homeworkers might come to feel like 'outsiders'. However they addressed this problem in a number of ways. Keeping open lines of communication and ensuring that all staff have some face-to-face contact with colleagues was seen as critical and all employees are expected to come into the office to attend staff meetings once a month.

Aitken believes that the type of work performed by the company lends itself to work-life balance policies. Professional staff drafting legal charges don't need to be office based – a computer and internet connection at home is all they need to do the job effectively. The company has found that compared with those who remain office-based, people working from home achieve efficiencies of 20 per cent or more in terms of output.

Source: BCC / CIPD report Flexible Working: Good Business; How small firms are doing it (June 2007)

4. Promoting the business case for flexible working

The Taskforce believes promoting the business case for flexible working is critical to improving the availability and quality of family friendly working practices. To do this, strategic direction and leadership from Government is required to help businesses set about realising the substantial benefits of flexible working. It requires a cultural shift in thinking with the need to move employers away from regarding full time as the 'norm'. Instead more emphasis should be placed on outputs rather than just the hours required. It is recognised that assessment of whether a job can be worked flexibly needs to take account of the needs of the business.

We also believe that cultural change to truly integrate flexible working practices in the UK labour market cannot be achieved by Government alone. Organisations representing employers and employees and non government bodies, along with employers already implementing good practice, have a key role to play in encouraging and supporting businesses to adopt flexible working practices.

Recommendation

To support cultural change across the labour market the Taskforce recommends that Government convenes a small group of representatives from business and organisations representing employers to discuss, agree and promote a business case that employers will listen to. The results of this group should feed into the work to enhance Businesslink.gov.uk as a portal to encourage and support flexible working.

4.1 Information and communication

How information and support about the business benefits of flexible working is communicated is important. A consistent message about the benefits of flexible working is required. There may be a perception from employers that there is not a clearly branded or visible place to go for information on how to formally implement flexible working practices. Business Link was recognised as being the central portal of information for employers and that it does provide more than just information on legislation. However, we felt that it was primarily viewed by employers as providing information about regulation rather than practical help about how to apply flexible working practices in the real world.

In 'Building Britain's Recovery' (2009) the Government has made a commitment to use improved Government IT and develop online media to explore opportunities to promote and enable flexible working. We support this commitment and recommend that Government reviews the reach and content of the Business Link website with regards to flexible working and builds on its plans to improve the messages and information it provides on promoting flexible working. As well as promoting the business benefits of flexible working it should contain practical information on how to implement these practices, e.g. guidance on how to calculate a pro-rata salary. We believe that this new information should be clearly set apart from employers, legal obligations as it is important that complying with the law is not confused with good practice.

We recognise that some employers (particularly SMEs) do not always use formal channels for information and are likely to go to people they trust, such as accountants, or look to their competitors to see what they are doing. Some employers perceive that help from government will have regulatory burdens attached. It was also felt messages coming directly from government may not have the intended impact – though this was not unanimously agreed by taskforce members. It is important to distinguish between information about legislation and information that provides more practical help and encouragement.

Recommendation

Building on the commitments in 'Building Britain's Recovery' the Taskforce recommends that Government reviews the reach and content of Businesslink.gov website with regards to flexible working. The portal should include or enhance its information on:

- the business benefits of flexible working, including using case studies covering a variety of different, size, sector and types of employers demonstrating how these practices can be implemented.
- practical hints and tips (covering job design, recruitment and management) drawing on existing guidance from a range of organisations rather than commissioning new work.

In doing so, it should clearly distinguish the information it provides on legislation and regulation from information that provides more practical help and encouragement.

The Taskforce recommends that organisations such as BCC, CBI, CIPD and TUC proactively promote the flexible working pages on Businesslink.gov.uk to its members and specifically that links are placed on trusted sites.

Promoting the business benefits by providing case study examples was seen as a valuable way of demonstrating why and how employers could offer more opportunities for flexible and part time working in their organisation.

There is a wealth of case studies which already exist. We agreed that it was important to harness and disseminate case studies by grouping and cross-referencing them. The case studies should be disseminated in a meaningful way in order to showcase best practice. This was considered a useful tool in convincing employers of the business benefits of flexible working patterns.

We also believe that better external advice and support in managing the legal requirements, plus specific help with issues such as a job design, should alleviate employers' fears about not being able to cope with multiple requests.

Evidence box 4

Only 2 per cent of businesses said they thought the number of requests received was a barrier to offering flexible working, as opposed to 43 per cent that were concerned about maintaining staffing levels and 27 per cent that said flexible working was inapplicable to certain job roles⁶⁵.

We recognise that many SMEs do not have a dedicated HR function in their organisation and that many employers and employees do not know where to go for advice on discussing these issues. Therefore, employers and employees of SMEs require more information and help when compiling sound cases to support change in working patterns.

The childcare sector was considered an area where employers may require more information to support change in working patterns. The childcare sector can be regarded as an employer but also as providing a service that can support parents and carers to work flexibly. However the childcare market remains relatively inflexible with childcare in nursery or group settings often closing locally between 6 and 7pm and offering services which are only available between Monday and Friday. Businesses do not always work to these hours. For example, call centres are typically open from 9am to 9pm 7 days a week. Framing the business benefits to childcare providers about providing a more flexible service to its customers – by, for example, providing services over a broader range of times – as a consequence would provide more opportunities for flexible and part time working for staff in these organisations.

We feel there is a need to encourage employees to see it as their responsibility to request flexible working hours, and that it may be a question of empowerment to build confidence for both employees and managers to discuss flexible working opportunities confidently and in practical terms. However, beyond empowerment, research reveals that many employees are not aware of their right to request flexible working. Less than half of parents (46 per cent) are aware of the right to request flexible working. Furthermore, less than a quarter (23 per cent) know about the April 2009 extension to parents of children aged 16 and under. It is therefore important to provide accessible and relevant information to employees.⁶⁶

In addition to providing accessible and relevant information to employers and employees, we suggest Trade Unions could provide expertise and guidance when implementing changes to working practices specifically around family friendly working. Trade Unions could contribute to the discussion from a collective workforce perspective. Where unions are recognised, employers will wish to consult them on relevant changes to working practices and conditions.

⁶⁵ British Chambers of Commerce (2009) The Workforce Survey

⁶⁶ Equality and Human Rights Commission (2009) Meeting the changing needs of families, workers and employers in the 21st Century

4.1.2 Role of Business Advisers

Any campaign to promote the business benefits of flexible working should also be targeted at business advisers. For example, medium to large businesses may use external advisers to help them address performance issues or when they are contemplating business transformation. Therefore it would be valuable to raise awareness of these benefits, and in particular some of the financial benefits, across a range of professional services firms.

Not only would this prompt them to rethink their own working practices but it would provide them with some useful tools to help their clients. Whilst flexible working may not be a single solution to a business problem, it might form part of a larger package of solutions.

A firm that has successfully implemented flexible working for its own staff is more likely to understand the benefits and be more creative in the solution that they offer to their clients.

4.2 Recognising different employer sizes, sectors and job levels

In considering how to promote the business case for flexible working the Taskforce emphasised the importance of recognising that there were differences between sectors, size of employers and job levels.

4.2.1 Sector

The take-up of different types of flexible working practices are more widespread in some sectors than others. Public sector workers are more likely to take up flexible working hours when this was available to them (54 per cent), compared to private sector employees (46 per cent). The incidence of term-time only working was also higher (56 per cent and 25 per cent respectively). The take-up of job sharing was higher in the private sector (14 per cent) compared to the public sector (9 per cent)⁶⁷.

There is no clear overall pattern in the take-up of different types of flexible work by occupation for employees who have at least one form of flexible work available to them. However, there are some trends that can be picked up when individual types of flexible work are looked at separately.

⁶⁷ 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.

- **Differences in take-up by size of employer**

Take-up of term-time only working was lower in larger workplaces (250+ staff) where it was available, compared to smaller organisations, as was working a compressed week (16 per cent in organisations of 250+, and 26 per cent in organisations of 5-24 employees). Conversely, employees in smaller workplaces of 5-24 employees (49 per cent) were more likely than those working in large organisations of 250+ employees (26 per cent) to take up part time working. A similar pattern is observed for job sharing – it is taken up by 19 per cent of those who have the option in smaller workplaces of 5 -24 employees, and by only 8 per cent of those organisations of 250 plus employees⁶⁸.

Research conducted by the British Chambers of Commerce, found that overall 36 per cent of businesses employ staff on a temporary, fixed term of zero hour contract, rising to 52 per cent of those with 50 to 249 employees, a massive 81 per cent with 250 or more employees, 53 per cent in the public, education and voluntary sector and 57 per cent in the hotel, restaurant and leisure sector.⁶⁹

- **Differences in take-up by job level**

Those without managerial/supervisory duties were more likely (47 per cent) than those with such duties (22 per cent) to take up part time working arrangements when this arrangement was available. Managers/supervisors were slightly less likely than those without these duties to work annualised hours (26 per cent and 28 per cent respectively), and to job-share (8 per cent and 15 per cent respectively). Take up of part time working was highest in service and sales occupations (62 per cent), and in the distribution, retail, hotels and restaurants sector (57 per cent)⁷⁰.

4.2.2 Tailored approaches

We are conscious that an approach targeted by size, sector and job level has its drawbacks as well as advantages. For example, what works in one sector or size of organisation may not be applicable to another. A retailer with hundreds of staff is unlikely to find the experience of a retailer with one site a useful resource and vice versa. Equally, working patterns differ from sector to sector. Some sectors rely on shift work while other sectors are more traditional.

The investigation report, 'Enter The Timelords: Transforming Work To Meet The Future', identified different types of flexible working that work for jobs in different work sectors. It created a portal that enables employers to map their job functions and find out the types of flexible working that work best for their type of business.⁷¹

The Equal Opportunities Commission's Transformation of Work Investigation, looked at the extent of innovative and modern ways of working in the context of what would help businesses to be successful and work for employees in balancing their work and care commitments.

68 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.

69 British Chambers of Commerce (2009) The Workforce Survey

70 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.

71 EOC (2007) 'Enter the timelords: Transforming work to meet the future: Final report of the Equal Opportunities Commission investigation into the transformation of work' Available in hard copy from Equality and Human Rights Commission. The portal can be accessed at: www.equalityhumanrights.com/transformation-of-work

However, while sectors operate in different ways, they also influence one another. For example, the retail sector influences the logistics sector and the manufacturing sector through 'just in time' processes and practices. The key is ensuring a flow through of best practice and learning from one sector to another. Presenting a diverse set of case studies will help employers across a range of sectors to offer individuals the opportunity to work flexibly.

Identifying sectors which are further ahead in adopting flexible working policies and practices is important. For example, there is more experience of good practice in the retail sector but there is less experience in other sectors.

It was thought an overarching vision involving stakeholders from various sectors would help in addressing these questions as well as ensuring consistency of message.

The Taskforce also considered the need for additional research on exploring sector difference which could contribute to the existing evidence base. This could take the form of secondary analysis of existing data rather than commissioning new research.

5. Providing practical help and support to employers

As well as promoting the business benefits of flexible working, employers need support to make flexible working a reality that also meets the needs of their business.

5.1 Job design and re-design

Job design is not just about recruitment but about designing an appropriate workload and being able to manage people who work in different ways/patterns. Understanding the prospective job role and, more importantly, the required outputs and deliverables is seen as key to moving employers away from thinking of full time working as the default position. Providing advice to employers on how to assess whether new or reconfigured existing roles could be worked flexibly is important to help attract a wider pool of talent.

Job design is also crucial in identifying if a job can be worked flexibly. The emphasis should be on 'what needs to be done' and 'how much time will it take', rather than starting from a point of view where all jobs are designed on a full time basis.

Problems experienced with implementing flexible practices may be around poor design or implementation rather than flexible working being inappropriate for a particular role. For example, it may be that the job was not properly designed to take into account part time hours or that the organisational infrastructure was not adapted to support someone who works from home two days a week, e.g. team meetings are always held on a Monday when an employee works from home or on a non working day.

These issues are not insurmountable, nor do they necessarily require substantive changes to organisational infrastructure. However we recognise that employers, particularly SMEs, may find practical support to identify and address these issues helpful.

We regard the role of managers and line managers as critical in successful implementation of flexible working practices. Not only will managers require training to understand and properly assess whether a role can be worked part time or flexibly, they will also require training to best support their employees in their new working practices.

We recognise that it is important to involve existing staff or the existing employee who wishes to work flexibly in job design as people who do the roles often know how flexible a job can be and the barriers to this more than a manager does.

We also recognise that this is not just about designing new jobs but also reconfiguring 'old' jobs for existing staff or when recruiting to fill existing posts. Employers will need support to do this and may require access to a portfolio of IT and corporate business systems and services.

Incorporating flexible working options in job design goes beyond the job specification and advert. It has further implications for managing flexible workers and ensuring that the employee is able to develop and progress. The Taskforce recognises that there may be a fear factor about managing a range of different sets of terms and conditions. A way to address this could be to help employers to implement flexible working policies into their organisations rather than just focusing on a particular job role. Therefore, the practical help and support given to employers could also include a wider focus integrating flexibility into the culture of the organisation.

In 'Working Towards Equality: A Framework for Action'⁷², the Government has recently committed to developing new training for middle managers in designing part time jobs managing part time staff, and piloting a new business mentoring twinning scheme on part time working, which would allow companies to share best practice in this area. We would like to see the Government reviewing the full range of support available to employers and considering whether more needs to be done.

Recommendation

The Taskforce recommends that Government reviews the practical just-in-time advice and tailored support mechanisms that are currently available. It should assess the scope to improve accessibility and availability of provision so that SMEs and organisations without a dedicated HR function are supported to effectively design and manage flexible jobs. For example, the Government could consider piloting an online forum linked to the Business Link website which allows businesses to post questions, advice and comments on flexible working practices.

The Taskforce also recommends that larger employers (businesses with more than 250 employees) review their practices in relation to flexible working in the light of this report and its follow-on actions.

5.1.2 Good Practice

Encouraging good practice in advertising jobs is vital. Employers often have part time workers in their workforce but do not tend to think of the full range of flexible working options available when recruiting new workers. The challenge is how to encourage employers to design and advertise jobs that can be worked flexibly. We felt the public sector should lead from the front in terms of its own particular recruitment practices and while we acknowledge the public sector is moving in the right direction, there is still more to do.

⁷² Government Equalities Office (February 2010) 'Working Towards Equality: a framework for action'

Recommendation

The Taskforce recommends that Government continues to lead by example and actively encourages central government departments and other public sector organisations to improve their own practices in terms of designing and managing flexible jobs at all levels. Design and management of flexible jobs should be built into management training in the public sector.

To challenge the default assumption that all jobs are full time and fixed hours/location:

- Hiring managers in central government departments and other public sector organisations should consider how a role can be worked flexibly before recruiting both internally and externally, so that job adverts reflect the need to ensure that potential candidates who want to work flexibly do not feel constrained in applying.
- Job vacancy information in the public sector should clearly indicate where flexibility is available.

We felt that businesses who were already adopting good practices could play a valuable role in mentoring other employers who want to implement flexible and part time working practices in their organisation. Options considered by the Taskforce included large organisations mentoring small organisations where best practice could be effectively disseminated. However, it was acknowledged that many industries might be reluctant to consult with their competitors. This may be less of a problem within the public sector and not-for-profit organisations.

Mentoring could also take the form of industry seminars and lectures where good practice could be propagated. Industry conferences are often well attended, particularly at a senior level.

The usefulness of an online facility which would allow businesses to post questions, advice and comments on flexible working practices was considered. Additionally, it could be used as a facility to highlight good practice.

5.2 Recruitment practices

Recruitment practices by both employers and recruitment agencies can and should play a vital role in stimulating demand for flexible working practices. We acknowledge that employers are generally unaware of the full range of flexible working options available. Therefore, support should be aimed at those with no dedicated Human Resource function to ensure that it is easily accessible and targets those businesses that have the most difficulty offering flexible working opportunities.

A variety of recruitment practices were identified by the Taskforce. These ranged from the more formal structures within larger organisations to the relatively informal ones that often exist in SMEs. Examples of this might include networking by existing staff or simply word of mouth.

The importance of the role of recruitment agencies in both the public and private sectors was recognised; more specifically, the role of recruitment agencies in challenging employers to consider part time and flexible candidates. It was agreed this did not lessen the need for a 'one stop shop' of information where employers could be directed by recruitment agencies as part of a wider discussion.

The role and behaviour of recruitment agencies is seen as varying depending on their market and business model, which in turn impacts on the incentives and barriers different agencies face in relation to discussing flexible working with their clients.

The Taskforce felt that private sector recruitment agencies that focus on full time recruitment raise possible challenges for promoting flexible working practices. Such organisations may have a disincentive to encourage employers to take up what is essentially a lower profit margin service. For example, placing two part time staff may be no more profitable than placing one full time member of staff but may require twice the work. However, being able to offer their clients a wide pool of flexible and full time candidates would benefit recruitment agencies. Therefore, consideration of target and payment structure may be helpful to reflect this.

Where recruitment agencies have a long term relationship with their clients it may make business sense for them to introduce the idea of flexible working to their client base and demonstrate that it yields better candidates.

One possible way of stimulating change is by identifying skill shortages in jobs/sectors where different working patterns could help to fill gaps.

Case Study 7 – PrimeTimers

South London based PrimeTimers helps charities, voluntary and community groups to grow by handpicking talented and experienced professionals from the private sector to cross over to non profit organisations. In late 2008 PrimeTimers won a huge contract, which meant that it could double its output. At the time it had three members of staff which meant it needed to hire new personnel who could take on various aspects of the business, but with very different skills and on differing projects. With the help and support of Women Like Us Prime Timers hired two candidates for 2.5 days a week, with an overlap to occur on one. Brent Thomas, CEO of PrimeTimers, comments: "We believe you can unlock a tremendous amount of talent – in both the corporate and third sector worlds – by hiring women returners and other staff on a job share basis. Job shares work so well for small organisations."

Source: Women Like Us

We think that there is a need to challenge recruitment practices. We think the public sector is particularly well placed to lead on such an initiative. Public sector recruitment agencies (e.g. Jobcentre Plus and providers contracted to DWP as part of Flexible New Deal and other welfare-to-work providers) are well placed to support the employers they deal with to design and recruit for flexible and part time jobs at all levels.

We considered the idea of providing financial support for recruitment agencies in terms of developing their expertise and providing an incentive for them to push part time working harder and in an informed way. There may also be benefit from having a voluntary or perhaps mandatory accreditation requirement in flexible working practices for agency staff, and by extension HR professionals in larger companies. However, it was felt that more work was needed to fully explore how the recruitment agency market could be stimulated to encourage employers to consider offering flexible working options when recruiting and also providing direct access to the pool of candidates who want to work flexibly.

Recommendation

The Taskforce recommends that Government consults with recruitment agencies (including JCP) on how best to stimulate the recruitment market for permanent and high quality flexible workers, and specifically on the role the recruitment sector can play in encouraging employers to adopt flexible working practices and in matching candidates.

Building on this, we agreed a more flexible job search tool used by public sector recruitment agencies would give employers access to a larger part time candidate pool. This could in turn make these agencies more attractive to employers; the knock-on effect being a change in business practices and behaviour.

In 'Building Britain's Recovery'⁷³ the Government stated that 'Jobcentre Plus will do more, using new IT, to identify jobs which can be offered on a part time or flexible basis, and better match individuals to jobs that fit with their family commitments'. This is very welcome. In addition we consider that by offering to fill out applications and design job specifications and advertisements Jobcentre Plus could help stimulate demand for its services from the micro-sector where it currently has a very low share of the recruitment market. We also think this would be a really useful service for those businesses without access to specialist HR services. In particular, an ongoing discussion between Jobcentre Plus and employment agencies about what represents "good practice" could also be helpful.

⁷³ Department for Work and Pensions (December 2009) Building Britain's Recovery: Achieving Full Employment

Recommendation

We recommend that Jobcentre Plus enhances its specialist training for its employer engagement team to enable them to confidently and systematically discuss with employers the benefits of offering more flexible roles within their organisation.

It also recommends that when the IT service improvements to help identify and match job seekers to part time and flexible job opportunities are implemented (as set out in Building Britain's Recovery), Jobcentre Plus actively promotes this service and the benefits it can bring to all businesses.

The way the benefits system works, particularly benefit tapering issues, makes it challenging to offer the full range of flexible working options within the welfare-to-work market. The quality of vacancies can also be an issue. We feel that many public sector job brokers focus on entry-level roles. Their candidates are also more likely to be unemployed and very likely to have caring responsibilities which restrict their ability to take up full time employment, hence the importance of stimulating a flexible recruitment market. However, the public sector is well placed to 'up-skill' and train potential employees in a core set of IT and customer service skills.

6. Conclusion

The Taskforce believes that there is a strong business and social case for boosting the number and quality of flexible working opportunities for both new/potential and existing employees.

We recognise that there has been much progress in this area but feel that if real social problems such as child poverty and the gender pay gap are to be fully addressed, there is still more to do.

Our ultimate vision is that employers are supported to develop flexible working practices so that roles are defined based on their outputs, and full time 9 to 5 working is no longer the default working arrangement.

To achieve this, the business case for flexible working needs to be proactively and creatively promoted to employers and, importantly, employers need to be properly supported to implement practices in their organisations that meet both the needs of the business and the employee.

Employees need to be supported to understand not only their rights with regards to flexible working but also to understand the possibilities of flexible working in terms of the range of practices that are available.

We acknowledge that supporting both employers and employees will be important in order to achieve cultural change. However, this Taskforce was created in order to look at stimulating the supply of flexible jobs in recognition of the fact that there are already campaigns and activities to promote take-up of flexible working amongst employees - although we fully acknowledge that there is still more to do.

Therefore this report has focussed on presenting the business case to employers and generating a number of strategic and practical recommendations for Government and organisations representing employers and employees. This reflects the fact that real change is only going to occur if all parties – Government, organisations representing employers, employees and specific groups and businesses – work collaboratively to encourage and support employers to implement flexible working practices.

Recommendations for change

We have produced a number of recommendations to support cultural change with regard to flexible working – these should increase the number and range of jobs that can be worked flexibly, and so increase the supply of high quality staff to employers. In considering our recommendations, we recognise that different jobs are suitable for different forms of flexible working. As noted above, our ultimate vision is that employers are supported to develop flexible working practices so that roles are defined based on their outputs, and full time 9 to 5 working is no longer the default working arrangement.

Bearing this in mind, we have made both strategic and practical recommendations for government, employers and organisations representing employers and employees. We have structured the recommendations under three main themes:

- Supporting employers,
- Public sector leading by example,
- Stimulating the recruitment market.

Supporting employers

Strategic recommendation

To support cultural change across the labour market the Taskforce recommends that Government convenes a small group of representatives from business and organisations representing employers to discuss, agree and promote a business case that employers will listen to. The results of this group should feed into the work to enhance Businesslink.gov.uk as a portal to encourage and support flexible working.

Following from this, we believe that practical steps are required to ensure that the messages around flexible working are clearly communicated and information on the business benefits is accessible to all employers.

Practical recommendation 1: One-stop portal for employers

Building on the commitments in 'Building Britain's Recovery', the Taskforce recommends that Government reviews the reach and content of Businesslink.gov website with regards to flexible working. The portal should include or enhance its information on:

- The business benefits of flexible working, including using case studies covering a variety of different, size, sector and types of employers demonstrating how these practices can be implemented.
- Practical hints and tips (covering job design, recruitment and management) drawing on existing guidance from a range of organisations rather than commissioning new work.

In doing so, it should clearly distinguish the information it provides on legislation and regulation from information that provides more practical help and encouragement.

The Taskforce recommends that organisations such as BCC, CBI, CIPD and TUC proactively promote the flexible working pages on Businesslink.gov.uk to its members and specifically that links are placed on trusted sites.

Practical recommendation 2: Support for employers without a dedicated HR function

Beyond enhancing the information on flexible working on Businesslink.gov.uk, the Taskforce recommends that Government reviews the practical just-in-time advice and tailored support mechanisms that are currently available. It should assess the scope to improve accessibility and availability of provision so that SMEs and organisations without a dedicated HR function are supported to effectively design and manage part time and flexible work. For example, the Government could consider piloting an online forum linked to the Business Link website which allows businesses to post questions, advice and comments on flexible working practices.

Practical recommendation 3: Encouraging larger employers

The Taskforce recommends that larger employers review their practices in relation to flexible working in the light of this report and its follow on actions.

Public sector leading by example

Strategic recommendation: Government

The Taskforce recommends that Government continues to lead by example and actively encourages central government departments and other public sector organisations to improve their own practices in terms of designing and managing flexible jobs at all levels. Design and management of flexible jobs should be built into management training in the public sector.

To challenge the default assumption that all jobs are full time and fixed hours/location:

- Hiring managers in central government departments and other public sector organisations should consider how a role can be worked flexibly before recruiting both internally and externally, so that job adverts reflect the need to ensure that potential candidates who want to work flexibly do not feel constrained in applying.
- Job vacancy information in the public sector should clearly indicate where flexibility is available.

Stimulating the recruitment market

Strategic recommendation

The Taskforce recommends that Government consults with recruitment agencies (including Jobcentre Plus) on how best to stimulate the recruitment market for permanent and high quality flexible workers, and specifically on the role the recruitment sector can play in encouraging employers to adopt flexible working practices and in matching candidates.

Practical recommendation: the role of Jobcentre Plus

The Taskforce recommends that Jobcentre Plus enhances its specialist training for its employer engagement team to enable them to confidently and systematically discuss with employers the benefits of offering more flexible roles within their organisation.

It also recommends that when the IT service improvements to help identify and match job seekers to part time and flexible job opportunities are implemented (as set out in Building Britain's Recovery), Jobcentre Plus actively promotes this service and the benefits it can bring to all businesses.

Next steps

We look forward to seeing the formal response from Government and also welcome feedback/response from business, organisations that represent business, employees and families, and non-government bodies and government departments.

