

Making flexibility work in practice

TAKING A STRATEGIC VIEWPOINT

All too often, flexible working is seen as distinct process or a limited initiative that takes place within a certain sector or layer of the organisation. It is seen as tactical rather than strategic, reactive rather than proactive. Although a minority of organisations have introduced flexibility strategically as a deliberate, planned step towards the goal of increased competitiveness or improved service provision, far too many have simply capitalised on the short-term opportunities derived from flexible working as a convenient answer to today's challenging issue. Rarely do you see a full joined-up jigsaw of practices that match the organisation's culture and service its business imperatives.

It can be argued that successful implementation needs an effective culture-change programme, one that has relatively distinct goals in terms of values and beliefs, processes and behaviours (Knell and Savage 2001). This can apply especially to larger organisations where long-term strategic thinking has a strong influence. It sounds complicated, but many organisations have a great deal of the tools and equipment in place. When mission statements and sets of guiding values are examined, most include the need for flexibility and the encouragement to enhance skills. These simply need to be translated into an integrated approach, linking the specific employer-driven initiatives set out in Chapter 2 (annualised hours, multi-skilling and so on) with the employee and legislation-driven requirements set out in Chapter 1.

Some organisations have linked them through the balancing process. 'We want you to buy in to the employer initiatives and all the changes to working practices we need, because they make us work much more efficiently and productively. In return, we will help you to achieve a work-life balance with the aid of family-friendly and leisure-friendly benefits.' This new form of psychological contract has been extended further through the attempt to become 'an employer of choice', as shown in the Lloyds TSB case study (16).

Case study 16: Lloyds TSB Work Options scheme

A series of mergers in the 1990s provided Lloyds TSB (incorporating Cheltenham and Gloucester Building Society and Scottish Widows) with the opportunity to question its methods of competing for staff. The end of the 'jobs for life' culture in the early 1990s meant that to keep good staff, Lloyds TSB had to differentiate itself as an employer not just from other banks but from the wider retail sector. There were also equal opportunity challenges, since 66 per cent of the workforce was female but only 11 per cent of senior management. Existing flexible working arrangements were ad hoc and small-scale local initiatives reacting to local needs. Recent staff surveys had also pointed to the lack of flexibility as a reason for staff turnover and poor perceptions of the organisation.

In 1998, the board approved a strategy to create an integrated and open flexible working initiative run by a centralised project group, overseen by a steering group of directors from across the group boards. The philosophy was set out by five guiding principles:

- Meeting business goals will remain our priority.
- Equity means equal access to a fair process.
- Working in partnership (managers and staff).
- Job performance is relevant.
- Flexibility is not an entitlement.

Although somewhat forbidding and almost restricting, these principles were necessary to ensure senior management gave full backing to the initiative, an essential requirement to ensure progress was swift and supportive. Backing was also given by trade unions, and staff focus groups approved the philosophy. The purely voluntary nature of the arrangement and the non-contractual aspect encouraged managers to work out with their teams and individual employees how they could provide a better service to customers, meet the business's changing needs and respond to the particular, personal requirements of all staff.

The scheme proved extremely successful in its early years, and the CEO, Peter Elwood, reported in 2002 that the Work Options scheme had 'together with our excellent range of other benefits, really given us the edge over our competitors'.

Sources: Wustemann (1999), Rana (2002).

For Microsoft, the company that nearly always tops the polls for employer of choice, flexibility is a key part of its employment culture strategy, for which it has won numerous awards. This was explained by Steve Harvey, UK director of people and culture as:

We want people to understand that it's their choice to be working at Microsoft. It was my choice that I played golf yesterday – I hadn't played for weeks, fancied a game and wanted to catch up with a business contact. I'm empowered to do that if I want to. Everybody knows my diary is open and if I choose to work Sunday nights, I can play golf on Monday morning. I'm no different to thousands of other employees. That's what it's about.

(Persaud 2003)

Not every manager is easily convinced by good-sounding ideas, and sometimes they can only be signed off by the board after research has been carried out. BT, for example, wanted to be sure that its teleworkers would be as productive as those with conventional working conditions. It began to investigate this in 1998 by identifying a pilot site (its Cardiff Engineering centre) and establishing baseline measures for productivity, turnover and employee engagement.

Next, it designed a series of interventions introducing flexible working, and observed the three variables at intervals over the next three years, as well as carrying out tests to ensure that flexibility had an effect on productivity. At the end of the period, it found there had been a significant increase in productivity, a substantial reduction in turnover and a notable increase in employee engagement (Gratton 2003).

Without that essential strategic driving force, it is much harder for policies and initiatives to fall on fertile ground and bring a productive harvest.

WORKING OUT A POLICY

Once the general strategy and direction have been decided, policy decisions need to be made on the nature of the flexible working schemes. These include the following aspects.

- *Should the guidelines attempt to cover all aspects of the operations, introducing rules to cover all eventualities or should they aim for simplicity, an absence of bureaucracy and excessive rules?*

At ASDA, 'the secret of success is simplicity,' reported Marie Gill, head

of colleague relations (*PM* online 2004). ‘You must proceed on the basis of trust – not in a belief that people will try to abuse the system.’ All the flexible schemes introduced, such as school-starter, spring holidays for older workers (so-called Benidorm leave) and elder care leave, underpin ASDA’s fundamental belief in ‘respect for the individual’.

There are a number of risks with the simplicity approach, however. First, there are complications with all flexible schemes, and HR departments may be faced with a barrage of questions relating to the fine detail of, say, job-share or annualised hours. Second, without detailed guidance managers might authorise inconsistent decisions in difficult areas, such as home working or family leave.

Inconsistency can lead to a sense of injustice in the organisation, and reduce the level of trust. At worst, it can lead to tribunal claims. Third, without sufficient detailed guidance, managers may decide that they will opt out of the responsibilities and not get involved, to the detriment of the needs of their staff.

So a balance has to be sought between these two viewpoints. Certainly there is a need to emphasise the principles of the schemes in the most simple way, but then sufficient guidance should be provided on the details through training and communication systems.

- *Should the organisation introduce a raft of flexible schemes as a ‘big bang’ approach, or use an incremental approach, with a steady stream of improvements and extensions?*

From a strategic viewpoint, a move to a more flexible, empowered and open culture matching the business needs will often be accompanied by a variety of flexible initiatives. Blackburn and Darwen Council’s first initiatives, for example, accompanied its fundamental shift in managerial emphasis from the traditional concept of ‘presenteeism’ (assuming that someone’s presence equates to productive work) to one that examined and measured the quality of employees’ work and how they met the service requirements of the council. Now, following three very successful pilots in the social services department, it encourages managers and employees to work in partnership to find new and innovative ways of working (Tarpey 2004).

- *How can you prevent certain areas of flexibility from being simply ‘women’s issues’?*

Work–life balance has all too often been seen as a means for providing female-friendly benefits in the organisation – child care facilities, enhanced maternity leave and so on. Since the late 1990s,

there has been a drive for the policies to become all-inclusive and to encourage equal take-up by men and women. The European Working Time regulations have played a large part here in trying to address the long hours culture, and there has been much greater emphasis on working all the initiatives into improving the flexible labour market with free movement of labour, balancing employee and employer needs.

When establishing the organisation's policy, therefore, it is essential to stress the importance for all employees, and consciously to market the policies to both men and women at all levels. Ernst and Young, for example, has a policy statement on work–life balance that stresses that the organisation is committed to providing staff with the flexibility required to address family, caring and other responsibilities, yet also providing a first-class customer service (Treneman 2002).

In the public sector, the policy needs can have a different slant, although the need to show bottom-line savings remains paramount. Retention of staff, reduced absenteeism, higher staff satisfaction trends and a much reduced use of agency staff linked to greater employee empowerment can be driving forces, as shown in the NHS case study number 17.

Another key consideration is the relationship of the organisation to its community. For Telford and Wrekin Borough Council, the key driver for the introduction of flexible working practices was its need to support its local community. As John Harris, head of personnel and development, indicated: 'As we are one of the largest employers in the area, with 5,500 staff, it is important that we are good employers. If we help our employees at work, it helps the community.'

The borough has one of the highest concentration of single mothers in Europe, and as roughly 80 per cent of the council's workforce is female, a range of practices has been introduced to enable mothers to return to work and generally help working parents. These include a workplace crèche, assistance with child care costs, local shop discounts and a hotline to a nursery for those needing emergency child care. Most important are working hours that allow parents to combine careers with bringing up children.

Managers are devolved responsibility to handle all individual requests, and they are expected to initiate work–life balance conversations and act as role models by looking after their own work–life balance. To ensure consistency and fairness, managers are assessed on the work–life competencies in their department through a management development programme. Workshops organised internally have been offered to other

Case study 17: Paediatric intensive care unit at Guy's and St Thomas's Trust

In 2002, Guy's Hospital was trying to operate its paediatric unit with a vacancy level of 44 per cent, and realised it could not go on in that way, cancelling urgent operations and providing a poor customer service. Led by the chief executive with full management support, the hospital entered into a full staff consultation through 'discovery interviews' to identify all the working environment issues. This was followed up by an extensive action plan to develop and strengthen roles (such as health care assistants having a more clinical focus) and create rotational posts which allow nurses to leave the shift system for six months to undertake development and prevent burn-out. Working hours were made more flexible, and there was a much greater effort made to devolve problem-solving to local staff.

The initiative was soon recognised as a major success. Over the first year of operation, vacancies dropped to 2 per cent, there was a substantial reduction in agency hours, and cancelled operations fell from 18 to 2. A year later, it was 'highly commended' in the NHS Management awards sponsored by the *Health Service Journal*, with the judges recognising that it was driven by a clear and decisive business case.

Source: Working Families (2003)

employers in the area, and a number have joined in. All this is just another service for the community.

Since introducing these practices, the council has been able to keep its offices open an extra three days a year and for longer hours. Sickness levels have dropped from 13 to 8 per cent (lower than the national average) and the council has one of the lowest staff turnovers in the UK.

Source: Woolnough (2003).

Flexible working standards and accreditation

Another approach that can be used in any sector is to adopt a flexible working *set of standards*. A number are available for work-life balance, including those produced by Investors in People, launched in 2003, and Work Life Balance Consultancy (WLBC). They provide a comprehensive

checklist against which to measure the organisation's aims and performance. As with any accreditation system, the organisation works towards achieving the required standards, and when this is achieved, will receive accreditation from the appropriate licensing body, which will have provided guidance and assistance in the process.

Under the WLBC system, launched in 2001, there are groups of standards under the following headings:

- Leadership and Commitment
- Systems and Planning
- Action
- Review and Assessment.

The standards for leadership and commitment designed by WLBC are set out in Figure 2.

PRACTICAL IMPLICATIONS

This section is devoted to practical implications for the successful introduction of the flexible working systems described earlier in the book. Because each scheme is context-specific, the advice will inevitably tend to be of a general nature, but checklists are always valuable to remind potential users of essential requirements.

First, here is some generic advice that applies in all flexible working situations:

- *Involve* members of the work teams in the planning for the scheme. They are far more likely to promote a scheme which they have helped plan.
- *Monitor and evaluate.* At the time that each major milestone is reached, a review should be scheduled to evaluate the current success of the scheme measured against the planned outcomes. Improvements in areas such as productivity, quality, customer service and absenteeism must be measured and assessed to judge if the initiative is on target.
- Get *feedback* from employees on a regular basis, through the formal staff consultation channels or through an attitude survey, and be prepared to change the scheme, especially where ideas arise from the employees themselves. It is important to pick up on any major dissatisfaction at an early stage, rather than allow discontent to fester and early support for the scheme to dwindle.

Figure 2 / **Leadership and commitment**

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| <p>1 You are committed to setting up work–life balance arrangements through your policies and culture.</p> | <ul style="list-style-type: none"> • Senior managers can describe the reason for your work–life balance policies. • Senior managers can explain your work–life balance policies and values. • Employees can describe the benefits for them, their colleagues and the organisation resulting from the work–life balance policies and culture. |
| <p>2 You have work–life balance policies and practices that form part of an overall strategy, to improve business performance.</p> | <ul style="list-style-type: none"> • Senior managers describe how you meet your legal obligations in relation to work–life balance issues. • Senior managers can describe how you have considered using all five categories of work–life balance arrangements. • Senior managers can describe how you have considered using best-practice solutions to work–life balance issues. • Employees can explain why you have a work–life balance strategy. • Senior managers can describe the results they expect from the work–life balance strategy. |
| <p>3 You make sure that all employees know about your work–life balance policies and systems.</p> | <ul style="list-style-type: none"> • Employees can explain your work–life balance policies and systems. • You have written terms and conditions relating to work–life balance that explain what employees are entitled to and what you may offer. |
| <p>4 You are committed to consulting your employees on work–life balance issues.</p> | <ul style="list-style-type: none"> • The people involved in consultation can confirm that it has been effective and that it emphasises the joint responsibility of you and your employees in achieving realistic solutions. • Your consultation systems must meet legal and regulatory obligations and be told to all employees. • Employees confirm that you have asked them about work–life balance issues and are able to discuss them with their line manager or another senior manager. |

- *Communicate the successes* of the scheme to the employees on a regular basis, using articles in company newsletters, intranet postings or old-fashioned noticeboards.
- *Celebrating and recognising success* is also important from an early stage. Using any of the usual recognition devices, such as a letter from the chief executive, a special (if small) one-off payment or paying for a celebratory departmental lunch, can also reinforce the success of any of the schemes, as long as it is seen as appropriate within the organisational culture.

The next section gives some summarised advice in specific areas of flexibility.

Advice on job-sharing

- Have clear policies that spell out the rights and obligations of each party to the job-share.
- Informal arrangements can only really work effectively in smaller operations and may cause confusion at a later date.
- Ensure that your policies are non-discriminatory.
- Provide guidance for managers who will have to monitor and review the performance of the job-sharing scheme.
- Clarify the performance indicators applicable to the job-share scheme such as cost savings or increased flexibility, and be clear how these will be measured.

Advice on career breaks

- Provide support for the employees once they leave to keep them in touch with developments, for example via an alumni network.
- Invite employees who are part of the scheme to regular catch-up meetings.
- Consider gradual reintroduction of the employee via part-time employment.
- Do not offer guarantees over the seniority position or place of work when the employee returns, as the level of change experienced usually makes such promises difficult to honour.
- Work to secure a tripartite understanding between the employee, his or her department or area, and HR over the precise arrangements of the break.

Advice on downshifting

- Do ensure that the experience brought by new downshifting employees is both relevant and current.
- Explore where possible the reasons behind the desire to downshift before agreeing.
- Consider the effects of having highly experienced employees placed in more junior positions on your existing managers.

Advice on introducing annualised hours/flexible hours

- Do not attempt a scheme unless your business has sufficient signs of labour utilisation slackness, such as periods of lay-off and permanent overtime, indicating a considerable saving can be made.
- Work with line managers to agree the baseline of working, especially the absolute minimum number of employees required to run a shift or service operation efficiently without sickness or any other disrupting factors.
- Do not allow line managers to include any additional factors when calculating base staffing, no matter how hard they argue their necessity.
- Consider who are the winners and losers from the scheme, and ensure that there is some appropriate compensation for losers who may be influential on obtaining the scheme's acceptance.
- Ensure that you include in the calculations opportunities for employees to benefit by working more smartly and thereby working fewer hours. Make sure that there are a number of bank hours which will not be used if the operations run smoothly.
- Be prepared for redundancies, which are usually associated with the introduction of such schemes, with a voluntary scheme prepared or robust criteria for selection if voluntary redundancies do not produce sufficient numbers.

Advice on introducing multi-skilling

Step 1: Identify key actions linked to business priorities

The starting point for any successful initiative is the clear vision of a 'big idea' which has immediate and long-term benefits to the organisation. All

the benefits of multi-skilling listed earlier in this section must be specifically targeted so that a coherent plan is put together which can be easily sold. A champion is needed to draw up the plan and devise it in such a way that it can convince all the stakeholders.

It will be necessary to persuade the board of the bottom-line benefits so funds can be released to invest in the training. It will be necessary to convince management and supervision that the long-term additional effect on their part in organising and monitoring the training will be worthwhile. Finally, the employee groups themselves will have to appreciate the all-round benefits and accept any changes in their terms and conditions that may apply.

The overall plan will need to include:

- the strategic link with business requirements
- how current major problems are solved
- a cost–benefit analysis
- the resources required, including any IT development to support the initiative
- the time scale involved.

Step 2: Consult with the workforce and sell the ideas

All ideas need selling, even those that appear to have obvious benefits. The consultation programme is not just to obtain the necessary consent to fundamental changes, such as where formal union agreements are concerned, but also to change the mindsets associated with static jobs and routine activities.

In Nottingham Hospital Trust (Johnson 1999), for example, multi-skilling required fundamental changes in the organisation structure, and consultation throughout the departments involved was necessary. The outcome was a general agreement to pilot the changes in the theatre directorate area, a department where many of the staff were keen to try their hand in this initiative. This gave a much better chance of a positive outcome, and was a far better process than imposing the initiative on resentful and unconvinced employee groups. Moreover, staff in the department were given a choice of three new rostering patterns to consider, and the majority decision on one specific pattern again made the implementation of this scheme much smoother.

Similarly, at Barclaycall, extensive consultation took place through employee forums so that employees could put forward constructive ideas on how the scheme should work, and how greater job satisfaction could be achieved (IDS 2000b).

Step 3: Identify the detailed training requirement

Introducing multi-skilling provides the opportunity for a long, hard look at how jobs are carried out and the skills and knowledge that are required. Efficient job design is essential so that the training needs for each role can be analysed effectively and a lean training programme put together. This can be an expensive exercise, so any superfluous job activities should be cut out ruthlessly.

Once the roles are clarified, the skills assessment can take place. This involves identifying how many skills are required by how many staff, and matching this against their existing skill levels. Decisions will need to be made about the minimum levels of skills required for an employee to be classified as multi-skilled.

Step 4: Decide on the processes of multi-skilling

The three main decisions to be taken here are:

- Will any payment for multi-skilling be involved?
- How will trainees be chosen?
- What methods of training will be used and will accreditation apply?

Step 5: Plan the training programme, including methods and implications of release

Once the detailed decisions are made on the processes involved, the comprehensive plan can be put together, with the milestones clearly indicated for each section. It is common to start the programme with a pilot scheme and then allow time for a review so the bugs can be worked out of the system. Once the plan is fully detailed, it allows much of the activity to be delegated to line management, working closely with the HR department. Experience has shown that most of the training will be on the job, so line managers need to be empowered to take decisions within the agreed criteria on selection, training, accreditation and payment. A simple administration and authorisation process also needs to be laid down.

It is essential that the schemes are owned locally by line managers and their staff and not seen as a centralised HR-driven system. Achievement of the milestones needs to be incorporated into the performance management targets for line management and HR.

Step 6: Monitor, evaluate and celebrate success

Using any of the standard recognition devices, such as a letter from the chief executive, a special (if small) one-off payment or paying for a celebratory departmental lunch, can also reinforce the success of the scheme, as long as it is seen as appropriate within the organisational culture.

Advice on outsourcing

Deciding whether to outsource

Some of the questions that need to be put before initiating the process are:

- Are there any security points that would encourage or discourage outsourcing?
- What is the nature of the process to be outsourced? If it is a core activity, outsourcing should proceed with extreme caution even where the other factors are encouraging.
- Can performance measures easily be put in place to ensure that satisfactory progress is made by the provider?
- What are the key objectives? Is the core objective improved performance or cost saving, or a combination of the two? Can the objectives be quantified?
- Are there any viable alternatives to outsourcing, such as a joint operation or a further attempt at in-house improvement?
- What skills may be lost through the process? Will the overall training and development policy of the organisation be affected?

Setting the standards

Issues here include the more obvious areas relating to operations, which have to be clear, unambiguous but not too complex, but also areas such as the quality of the staff involved. This may be measurable in terms of qualification or experience (although many excellent IT staff can be unqualified and much experience is measured in weeks rather than years), but standards of behaviour and attitude are far more difficult to define. It is better to try to involve outsourced staff in company affairs relating to training or social activities, so they become better integrated into the company culture.

Controlling the contract

There are two parts to this. The first is ensuring that the process for agreeing a contract is carried out successfully. This involves the drawing-up of the specification, including the length of the contract and the nature of any penalties for non-performance, the way that a short list of contractors will be selected, how bids will be invited, evaluated and awarded. Under best value, this process is circumscribed by law and common practice, and needs considerable skill, experience and expertise to avoid claims from potential providers who have been excluded.

The second part in the process concerns how to manage the contract itself. There have been a number of experiences under best value where contracts have been awarded to providers who have offered the lowest tender, but the authority has been hostile to that provider for historical or personal reasons. (The authority may have wanted to keep the contract in-house.) Most of these contracts have ended in acrimony, as the authority has acted to the letter of the contract rather than its spirit and this can lead to its invoking unfair penalties. It is clear from this experience that generally, contracts will only work effectively if there is mutual understanding and a good degree of trust. There has to be allowance at the start of the contract, as the provider learns about the details of the contract and the organisation, recruits the staff and gets the work under way. There has to be a judgment over how long the 'probationary period' is – for catering, it is very short indeed as staff expect an improved service from day one – and how reasonable it is to threaten applying penalty clauses if they form part of the contract, and the nature of those penalties.

Terms and conditions of provider's employees

It is always a difficult situation if employees of two different organisations are working side by side under different terms and conditions. Back in the 1970s, unions used to insist that subcontractors coming onto employer's premises must be paid the same rates, although complex bonus arrangements often clouded this point. Today, unions rarely have powers to influence this situation, but it can still affect the morale of employees if the provider's employees have far better terms. It is worth setting up a system of careful liaison to try to avoid areas of gross comparison.

Transferring employees

Apart from the complexities of TUPE, there is the major issue of how and when to tell the staff involved. Reilly and Tamkin (1996) set out the two views:

One view is to do it as late as possible, to minimise the risk of sabotage, and only through the incoming contractor, who then has early opportunity to state their case. This means that staff hear directly from their potential future employer who can address their concerns. The alternative opinion is the diametric opposite. It argues that concerns over sabotage are exaggerated and precautions can be put in place to reduce the risk. The principal aims of the transition, it is felt, should be to gain employee support for the process and minimise fear of the unknown. This, it is believed, will be assisted by early information which avoids rumour developing.

Transferring back

An unusual situation arose when Lloyds Bank merged with TSB. An evaluation of the IT facilities at the joint operation showed that outsourced work could be brought back in-house. A five-year contract with Sema, entered into in 1996, was terminated by agreement, and the 100 staff involved were told at first that they would simply transfer back to Lloyds TSB without any compensation. However, after negotiation with the BIFU union, it was agreed that they could remain with Sema, take voluntary redundancy at enhanced rates, or transfer back with a 5 per cent pay rise and a £2,000 lump sum.

Philip Vernon, European partner and outsourcing specialist at Mercer HR Consulting, has given the following advice on getting outsourcing right (Hammond 2002):

- Be clear why you are going into outsourcing. If you are using it as a way of offloading a problem you don't want to deal with, you will run into trouble.
- Make sure you and the contractor have a common view of what you want to get out of the contract and what they are expected to deliver. That shared vision needs to be established right at the beginning.
- Check out the contractor's track record. You need to be confident that they can deliver what you need. If they have done it for someone else, they are more likely to be able to do it for you.
- Do the sums. You need to know how much it is costing you to provide the service at the moment and exactly what the service entails. In a commercial arrangement you pay for what you get. What frequently happens with outsourced contracts is the client gets a nasty shock when they are billed for things that they didn't realise they were using or being charged for.
- Ask yourself: 'Is this an organisation we can work with?' If you have a

long-term agreement you are going to have to work together over a number of years, so you have to feel you can trust them.

- Manage the contract. There is a temptation to think that outsourcing means you are not responsible for it any more, but managing your supplier is as critical as any internal management. If it is a sizeable contract you may need to put a group of people on it. Closely governing the contract is the only way you will pick up on problems and be able to deal with them before they get out of hand.

Dealing with temporary employees

Choosing an interim manager provider

Neil Fogarty (2002), practice director of IMS Interim Management, gives the following advice in choosing an interim provider and managing the relationship:

- Ensure that the interim executive put forward by the provider has the sector and functional expertise, that he or she levers off his/her own practical experience as opposed to the reputation of the provider.
- Also ensure he/she has the credibility, by checking with clients he/she has previously worked for in an interim capacity.
- Access the knowledge network – the provider must actively manage its considerable network of interim executives.
- Always focus on the ‘solution’ that you require, rather than the technicality of the CV.
- Cultivate one provider, rather than testing the water.
- Ensure clarity and transparency throughout, including complete understanding of the required outcomes and the fees, including the provider’s margins.

SAYING NO AND OTHER DIFFICULTIES

As detailed in Chapter 1, the Employment Act 2002 gives a list of grounds on which a request for flexible working may be turned down, such as the burden of extra costs, detrimental impact on productivity, quality or performance. In fact the list would seem to provide a get-out clause for each and every request.

The reality appears to be a little different. In a CIPD/Lovells research study (2003), a large number of the employers contacted said they generally had little difficulty with the new right, with 90 per cent reporting no significant problems and 76 per cent saying they had no difficulty complying with the legislation. A more recent survey (CIPD 2005) found that 66 per cent of organisations surveyed reported an increase in the number of employees making use of flexible working. In one private survey in the NHS, one unit had 10 respondents where no requests were turned down, and there were four examples where employees' requests were either refused or stopped after a trial period:

- A health visitor asked if she could reduce her hours from five to four and not work Fridays. In the area in which she worked, there was hardly any cover on a Friday, because many part-timers wanted Friday off. She was refused but it was agreed for her to have a different day off each week.
- One member of staff wanted to work flexible hours each day but she had to be limited to between 8:00 and 18:00 as no service was required outside these hours.
- Because of the effect on the equity of the other members of the team, a team member's request for reduced hours had to be turned down.
- One trial of flexible hours had to be stopped because of the timekeeping of the employee concerned.

In general, where requests have been turned down, they have been mostly on the grounds of the employer's inability to reorganise work among existing staff and the detrimental effect on the ability to meet customer demand. Tribunal claims arising from these refusals have been few and far between. This is probably because the only basis of the claim can be the employer's failure to follow the statutory procedure, or because the employer has rejected an application based on incorrect facts.

If a claim is upheld, the tribunal may require the employer to reconsider the application and/or award compensation of up to eight weeks' pay (capped at the statutory week's pay). However, it is possible that some applicants may claim that the refusal was on the grounds of sex or race (where compensation is unlimited), so great care must be taken in specifying the reason for the refusal and ensuring that it is one of those allowable (see Chapter 1).

One of the difficulties identified has been *getting employees to focus on the needs of the organisation*, as well as their own perceived rights. That is why reasonable time should be given to the meeting with the employee, so both sides understand the nature of the requests, the options available and the likely effect on the department, work colleagues and the business. One of the options is to agree to a change in hours or work for a limited trial basis to see

if it works out. This must be confirmed in writing, because agreements made are regarded at law as permanent unless agreed otherwise at the time.

A further difficulty may arise if there are *conflicting requests*. Perhaps one request comes from an employee who is not currently protected under the law (say one with a caring responsibility not yet specified under the Act) and another comes from an employee with young children, who is therefore protected. In this case, it is wise to consider making it clear in written procedures that precedence will be given to those employees who are currently protected, even if it is considered that their case, although reasonable, is not quite so convincing.

Finally, a situation may arise where the organization does not believe it has *sufficient information* from the employee to be able to take a reasoned decision. It seems necessary to ask more questions or obtain more detailed evidence, perhaps about a disability. Here it is important to be aware of the employee's right to 'respect for private and family life' under the Human Rights Act, so the enquirer must not be too intrusive. On balance, it is advisable to accept the word of the employee on trust, but ensure that the request contains confirmation of his or her eligibility. In that way, if it comes to light that the employee has misled the employer, there may be grounds for disciplinary action (Hayden-Smith 2003).

Here is an example of the approach by the courts in the case of a domestic crisis. Qua had been absent on many occasions owing to her son's medical condition, and her employment was terminated after nine months' service. She appealed on the grounds of unfair dismissal. The Employment Appeals Tribunal dismissed her claim, stating that employees can only take emergency leave to arrange for a dependent to receive temporary help, and not to provide the care themselves, and certainly cannot take unlimited time off, even if they tell the employer on each occasion. This case therefore confirmed that the right to take emergency leave had limitations, depending on the nature of each case and circumstance.

The case also highlighted the need to keep a record of the date, length and reason for each absence and whether it had been authorised as dependant's leave. Source: Cooper (2003) on *Qua v John Ford Morrison* (2002 EAT/884/01).

SUPPORTING AND MANAGING THE SCHEMES

Most flexible working schemes depend on line managers to implement the detailed arrangements, enthuse the staff and handle any difficulties that arise. Persuading managers to accept non-standard working arrangements

has been the biggest problem associated with flexible working, according to CIPD research (Coussey 2000). Organisations reported that managers assumed such changes would lead to problems, such as more complaints from customers and lower productivity, although the reverse appeared to be true in most cases. They were quite fearful of employees disappearing from the line of sight through home working and teleworking, and wondered how they could be managed properly. What led to acceptance was success on a small scale. If it can be seen to work in one area, then others see the positive results and the scheme sells itself.

The organisation has to be careful that the manager is not caught in the middle – faced with demands from above to meet targets and higher service levels, yet to go along with schemes that appear on the surface to give gains only to staff. Introducing multi-skilling or annualised hours can bring an extended period of disruption while staff learn how the scheme works and test it out, while the manager tries to ensure it is business as usual. Family-friendly improvements can lead to employees coming up with requests they would not have considered before the schemes were introduced, leading to very time-consuming discussions and scenario-planning on the manager's part to see if the employee's request can be met and at what cost.

On the other hand, many ideas for improvements on labour flexibility or managing hours have come from line managers. They have seen how time is wasted and the work flow distorted by the imbalance of skills available. They have also seen how peaks and troughs of production and service are not best met by staff on standard hours. Getting staff to initiate improvements can be the key to success, as shown by the Lloyds TSB case study.

In terms of persuading managers, Clutterbuck (2003) advocates three solutions:

- patient explanation of the personal and business benefits
- patient explanation and demonstration of the benefits to their department and team
- providing practical and relevant examples of solutions other managers have tried successfully – especially if they are presented by peers the target managers regard as credible.

Support of the trade union

In unionised environments, the support of trade unions is an essential ingredient for a successful outcome. At Blackburn and Darwen Council, for example, the support of Unison was essential in spreading the culture of

Case study 18: Management support for compressed hours at Lloyds TSB

Neil Hasson heads the small group manpower and information team at Lloyds TSB, which works within the bank's tight reporting cycle. Apart from regular reports for 50 business units, there is much urgent one-off work needed for senior executives, often carried out at very short notice. This is not naturally fertile ground for flexible working, with the initial concern that some team members might believe themselves to be carrying other colleagues who are taking advantage of various flexible hour systems.

Despite such doubts, in 1999 Hasson took a closer look at the concept of a compressed fortnight, with employees working 9 days out of 10 and adjusting their daily hours accordingly. He had seen a similar arrangement working elsewhere. The time off would kick in when the team was not working at its peak. The scheme was designed so there were no gaps at any time in the service the team offered to the organisation, and every team member had a valid role to play. Hasson took the proposal to the whole team, armed with a 10-page Q&A booklet that he hoped would anticipate all the problems. This proved an inspired move. Commitment from all the staff became easy to obtain, and the scheme has proved a success since implementation.

Source: Mahoney (2002).

empowerment and measuring outcomes, not hours. In one pilot scheme, the union took a major role in supporting management in encouraging the development of a self-rostering system for 70 staff in supported living units, and this worked extremely well in improving the morale of the staff and reducing grievances. In fact, the latter benefit reduced the union caseload to manageable levels (Tarpey 2004). Experience elsewhere has supported this view, with unions willing to give firm support to family-friendly benefits and agree to other new initiatives such as annualised hours if a good case is made and employees are protected (Coussey 2000).

Using trial periods

As indicated in a number of the cases, the use of a trial period is often an effective way of convincing managers and staff that a scheme can be successful. In Bristol-Myers Squibb, sales people were found to be

generating more business once they had switched to a flexible hours arrangement that meant them working fewer hours in total, and this helped to overcome line managers' initial reluctance.

In the Nationwide Building Society, all flexible arrangements are first undertaken on a trial basis to help to assess their viability, with the trial lasting 13 weeks (IDS 2004b).

Training and development

For flexible working systems to gain credence throughout an organisation, the quality of training is highly significant. The training must help to embed a culture where flexible working is a natural process, rather than exceptional, and where an employee's performance is outcome-related rather than measured by the number of hours put in. Moreover, the culture must have sympathetic values and a willingness to share the successes and difficulties.

Developing such a culture is not easy. It is not helped if senior managers work long hours and appear to expect the same from their subordinates. Allowing meetings to drag on beyond 19:00, landing staff with urgent work that cannot be completed without late nights, arranging breakfast meetings and working lunches, all set the tone for expected employee behaviours. Under this culture, published policies and systems to encourage flexible working, especially work–life balance benefits, are regarded as mere platitudes or escapes for the unambitious. Training therefore has to be directed and supported from the top, and without that support the training is likely to be badly received and ineffective.

Where joined-up management exists and where policy and actual practice gel, however, innovate training can transmit the messages and invigorate the take-up level.

Effective training can take a number of forms. For employees to understand the way specialised initiatives work in areas such as annualised hours, teleworking or multi-skilling, specific training seminars need to be run. Depending on the complexity of the scheme, there will normally be dedicated management and supervision courses, dealing with running the operational aspects. Separate courses and seminars are normally put on for all other levels of employee affected by the scheme. To ensure understanding of the details, the course should be interactive, with case scenarios inserted and plenty of practical examples, such as how to deal with employees who refuse to be flexible within the rules, or what happens to hours on call-outs.

It is also worth considering joining the groups together so that the same

message comes across to employees at all levels. Trainers know that some of the most enjoyable and effective sessions include role reversal, where employees learn to understand differing viewpoints by acting out the part of their superior or subordinate.

Where work–life balance issues are concerned, a number of organisations have linked the initiatives with training and communication in stress management. In this case the opportunities to work flexibly can form an outcome from employees' assessment of their own needs and context. Ford Europe, for example, has developed a series of innovative workshops and seminars which link stress management and healthy lifestyles with how individuals should manage their own working arrangements, and the family-friendly benefits they can buy into, such as career breaks and paternity leave (McCartney 2003).

The areas that are tackled, once employees understand the implications of a balanced lifestyle and the importance of effectively managing stress levels, cover:

- practical insights into their own work and life situations, using a diagnostic questionnaire
- examining how flexible working options and benefits operate, and any costs involved
- techniques for narrowing the options and deciding on the best course of action
- advice on how to discuss the process with line managers, colleagues and family members and reach an amicable solution.

Further supportive training for managers could cover areas such as engaging the team in working out flexible solutions to working problems, handling remote employees, relationships with complementary (temporary) employees, and developing a supportive climate for work–life balance.

Specific training is needed to support managers who have to take decisions in response to the statutory right to flexible working. Working through examples of identifying the impact of requests, understanding thoroughly the legislation, scenarios of collapsing five-day jobs into three-day jobs, what proportion of work can be done at home and how often the facility is granted, and ensuring that decisions are arrived at in a consistent and defensible way, are all important to line managers if they are to be trusted to take first-line decisions. It is so much better if they get this right, because decisions that are reversed on appeal deflate and undermine the manager, and encourage more appeals in the future.

Communication

Continuing to foster the culture of flexible working must be supported by a committed schedule of regular communication. This can be done through a variety of generic channels, such as the corporate intranet, internal magazines, team meetings and face-to-face presentations. At a large pharmaceutical company, a special effort is made during ‘work–life balance week’, which the company deliberately moved to May to coincide with the summer hours period, with its opportunity of compressed hours and an early finish on Friday. During this week, events are planned that seek to reinforce the message that work–life balance is a key element of the company’s reward package. Each month, one aspect of the total package is picked as a theme to be spotlighted and promoted, with the emphasis on informing employees of the options open to them and encouraging them to think about ways of enhancing their own personal work–life balance (IDS 2004b).

For Tesco, the introduction of variations in its flexible working schemes centred around ‘supporting your attendance’, with the organisation, in addition to conventional communication media, using a poster competition and a high-level launch at the company’s annual conference, with a senior retail director acting as champion on the day.

Most large organisations maintain a website to help all the staff understand the issues and to update them on developments. Abbey (formerly Abbey National) maintains a comprehensive set of intranet web pages covering all its policies and procedures. For example, it has 10 pages giving details on career breaks, including explanations of the two main schemes, eligibility, salary and benefits implications, and return to work arrangements.

Some organisations go into considerable detail to ensure that all parties are quite clear on where responsibilities lie. Table 5 is an extract from a large pharmaceutical company’s intranet on responsibilities in respect of requests for flexible working.

Monitoring and evaluation

Regular revisits to flexible working schemes are essential. It has been repeated a number of times in this text that there needs to be a form of measurable target set when the scheme is initiated. Only if there are such targets can it be seen whether the schemes are successes or not. The measures can include:

- *Employee take-up of family-friendly schemes*, such as paternity leave, working from home and compressed hours. If the numbers are lower than expected, an investigation is required to find out why. If managers are inundated by requests, again an investigation is required to consider whether the terms of the schemes are right or whether they are too generous.
- *Turnover and absence analysis*. Improved flexible working should lead to greater employee motivation and commitment. If turnover and absence levels remain stubbornly high, the schemes have clearly failed. Similarly, if the levels drop for a period, then start to climb again, there is something wrong with the support mechanism.
- *Cost savings* in schemes such as annualised hours or outsourcing. Targets are easier to set here because they are normally at the heart of the decision to implement the scheme, so if the costs are not saved, the scheme has gone badly wrong. Not only have there been the disruption costs of change, there will also be considerable loss of management credibility if savings are not achieved. Another key point here is that, even if cost savings are made, the quality aspects of the product or service need to be maintained or improved. If quality or on-time delivery or customer satisfaction fall, there will be long-term difficulties. Monitoring these measures remains crucial here.
- *Staff satisfaction surveys*. Most organisations that have a belief in the power of staff motivation and commitment carry out regular staff satisfaction audits. Adding questions about flexible working practices and work–life balance can help the monitoring process and build up a view of the scheme’s successes.

Special notes for small and medium-sized organisations (SMEs)

Issues surrounding flexibility may not be top of the agenda for smaller businesses, but flexible working is inherent in their operations, simply because they have fewer employees to do a standard number of jobs. Hence receptionists in small companies are always multi-tasked, for example acting as wages clerks and personnel administrators in part of their working time.

Research has indicated that SMEs often operate advanced flexible practices without clearly laying these down as ‘policies’. This is especially true in the professional services sector, where staff needed to be adaptable, prepared to be on call, and willing to vary their part-time hours or work before or after their core hours (Bevan et al 1999).

Table 5 / Responsibilities and accountabilities for requests to work flexibly

Manager	Employee	Suggested action for all parties
<p>Fully consider the request and whether the job can be carried out more flexibly. Immediately notify HR of the employee's request.</p>	<p>Fully consider the impact of the request on current job and how any issues may be overcome. Monitoring activities/timelines may assist this process. Could also consider involving colleagues in this process so that team continues to operate effectively.</p>	<p>Draw up a list of advantages and barriers of proposed flexible working. Notify HR of arrangement. Think through how the proposed working pattern could work.</p>
<p>Have an understanding of the flexible working policy and guidance.</p>	<p>Have an understanding of the flexible working policy and guidance.</p>	
<p>Accountability for delivering stated team/departmental objectives and must ensure that the organisational requirements are met. Consideration also needs to be given to the potential impact on the employee's personal objectives/career opportunities and how this can be managed.</p>	<p>Consider how the request may impact on personal circumstances/career. Demonstrate personal flexibility where feasible, eg be prepared to do extra hours during busy periods.</p>	<p>Demonstrate trust and commitment, as these are integral to the success of any flexible working arrangement. Consider actions that can be taken to encourage flexibility within the arrangement.</p>
<p>Identify impact of flexible working arrangements on employee, colleagues and clients.</p>	<p>Consider how the request may impact on colleagues and clients and how these may be overcome.</p>	<p>Agree how the arrangement will be communicated to colleagues and clients.</p>

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Table 5 / Continued

Manager	Employee	Suggested action for all parties
Discuss any employment legislation implications with HR. Consider a trial period.	Identify any changes to terms and conditions of employment with HR. Consider a trial period.	Discuss request with HR at the beginning of process or as early as possible. Trial periods are normally for up to three months.
Responsible for setting performance objectives with the employee and reviewing on a regular basis.	Agree performance objectives with manager.	Set regular performance review dates.
As part of regular performance reviews, ensure that discussions occur around current and future circumstances (both parties) that may affect the flexible working arrangement.	Give advance notice of any changes in personal circumstances that may affect the existing flexible working arrangement.	Regular open and honest discussions.

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For Classic Cleaners, a two-shop, 11-employee operation in Kingston, ‘flexibility in working hours was key to our success – absenteeism disappeared almost overnight and staff turnover fell while business turnover went up 15 per cent’ (Mahoney 2002).

Two further examples of flexible working in SMEs are given in case study 19.

Case study 19: Flexibility at Innocent Drinks and Castle Green Hotel

Innocent Drinks is a maker of totally natural fruit drinks, with only 40 staff and with a core value of ensuring that its staff are happy and productive. Work–life balance is encouraged through a flexible approach to starting and finishing hours and working at home, plus a number of more unusual initiatives. Newly-weds get a paid break of five days, sabbaticals are encouraged with a full guarantee of a job on return, and six £1,000 scholarships a year are offered towards the fulfilment of an ambition that is not work-related (IDS 2004b).

The Castle Green Hotel has 100 bedrooms. It is in Kendal in the Lake District, an area with less than 1 per cent unemployment, and had considerable retention difficulties before improving its flexible working initiatives. Employees now have a wide choice of flexible hours, leave options and career choices. Staff turnover has reduced by a half and there is currently 100 per cent return to work after maternity leave. In total £25,000 has been saved through the use of flexible working arrangements.

Source: cases kindly supplied by Work Life Balance Consultancy.