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Work-Life Balance in Smaller Businesses in Scotland: Encouraging the Expansion of Flexible Working Policies and Practices

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FOREWORD

Raising productivity - in both the public and private sectors – clearly remains as the key challenge facing the Scottish economy. Recent figures show that Scottish productivity is behind that of the rest of the UK and our major European and world competitors.

The idea of a better work-life balance has been promoted by the Government as having the potential to play a key role in improving productivity. Yet until now, research on current practice, attitudes of employers and employees, and most importantly the nature of potential benefits of work-life balance have been lacking, especially in relation to micro, small and medium sized businesses (MSMEs) in Scotland.

There can be challenges for MSMEs in adopting work-life balance policies. Maintaining an efficient level of staff resources with holidays, sickness etc can be difficult at the best of times. So accommodating other outside or caring commitments may not always be easy or even possible. However, adopting work-life balance policies does offer employers the potential to retain valuable employees, create a loyal and motivated workforce, reduce absenteeism and at the same time increase productivity.

The idea of work-life balance will only succeed with a genuine partnership between employers and employees, and when adopting work-life balance policies benefits both the business and the individual.

We welcome this report and its insights into the current situation in MSMEs in Scotland, information on best practice, and an implementation tool which will be useful in providing MSMEs with a better understanding of work-life balance options and how to use them effectively.

John Downie
Federation of Small Businesses in Scotland
November 2005

EXECUTIVE SUMMARY

This project represents the first substantial exploration of work-life balance policies, practices and issues in micro, small and medium sized businesses (MSME) in Scotland. The work was carried out between October 2002 and September 2004.

Overall project aim

The overall aim of this European Social Fund Project was to encourage the expansion of the numbers of MSMEs in Scotland with active flexible working practices (FWP) and family-friendly employment policies (FFP). To achieve this aim, a number of perspectives were explored including current practice in work-life balance (WLB) in MSMEs, the views of potential employees, and representatives of stakeholder organisations with an interest in employment and economic development.

Methods

Various data collection methods were used including:

- Desk research
- Interviews with owners or senior managers in 10 MSME businesses
- A nation-wide survey resulting in 210 responses
- The development of 10 case studies of good practice
- Exploration of the views of potential entrants to the labour market through a focus group, interviews and a questionnaire.
- Interviews with representatives of four organisations which are stakeholders in Scottish economic and MSME development.

Findings

Current Practice in MSMEs in Scotland

- There is evidence of a range of working patterns being used currently, and those most frequently recorded are full time, part time, time off in lieu, and staggered hours. In general managers do not have as much access to flexible working patterns as their employees. There is very little evidence of the use of less well known patterns of working such as annualised hours, v time working, and compressed working hours.
- While MSME employers express a generally supportive view of family friendly policies, they tend to be reactive to the requests of employees in developing such policies.
- The main benefits of flexible working practices are indicated as: improving staff retention, aiding recruitment, enhancing employee relations, increasing employee motivation, improving employee loyalty and enhancing employee commitment.

Costs are believed to be: administrative burdens, operational problems, management problems, time consumption, and potential employee abuse.

- A substantial minority of businesses are not aware that offering and implementing flexible working practices could help to reduce their costs or contribute positively to their other key business challenges.
- There is currently little monitoring of the impact of flexible working practices in MSMEs in Scotland.

Good Practice with WLB in Scottish MSMEs

- Good practice points to the need for managers in MSMEs to be aware of, and sensitive to, the needs and expectations of their employees in terms of their work and domestic arrangements.
- Good practice involves equal access for women and men to FWP and a willingness by employers to consider facilitating such arrangements on employees' requests.
- A recognition of there being mutual benefits of FWPs for both employers and employees is a feature of good practice.

Views of Potential Employees of MSMEs

- There is some recognition by potential employees that smaller businesses are less likely than larger ones to be able to have family friendly policies.
- Flexitime is the most popular working arrangement for all potential entrants to this sector.
- Family friendly policies and flexible working practices are perceived as attractive in an employer particularly by lone parents.

Stakeholder Organisation Views

- There is a need to widen perceptions as to who may access work-life balance policies and practices, to include men as well as women; and those with caring responsibilities other than children, as well as those with young families.
- Historically, MSMEs have tended to view flexible working arrangements as inappropriate due to anticipated difficulties in their implementation.
- Role model examples of flexible working at senior levels would be useful.

Encouraging the Expansion of Family Friendly Policies in Scotland

- There is a need for greater information and education for key decision makers about the nature of family friendly policies and their contribution to business effectiveness. In particular, awareness in this sector should be raised as to the link between the implementation of such policies and key business challenges such as reducing costs, improving productivity, gaining an edge in recruitment, improving the quality and number of job applicants, improving staff retention, being more responsive to peaks and troughs in the market because of greater flexibility, enhancing employee motivation, and reducing absenteeism.
- The findings of this report could provide an important element in training and education opportunities for those starting up or managing an MSME.
- A website has been developed as part of this project (www.worklifebalanceresearchsme.org.uk) which is an important resource for trainers, MSME owners or senior managers interested in real case study examples of family friendly policies.
- A best practice framework for work-life balance in MSMEs has been produced as part of this project which could be used in training courses or information packs. It highlights the need to establish a culture which is receptive to individuals' requests for changes to working hours, suggests key issues in introducing flexible working, and encourages the use of monitoring the effects of flexible working practices to enable an informed cost-benefit analysis to be carried out.
- An implementation tool has also been devised for use by MSME employers to help them link flexible working practices to their key business issues, to clarify sources of information, and to highlight the stages and issues involved in implementing and monitoring family friendly policies.
- A wide range of dissemination activities have been carried out over the duration of this project including articles, conference papers, and reports.
- A national family friendly award to encourage the development and implementation of flexible working practices in MSMEs in Scotland was established in June 2004 by Glasgow Caledonian University, which has the potential to become an annual event.

ACKNOWLEDGEMENTS

This project was funded by the European Social Fund and Caledonian Business School, and supported by the Work Adaptability Partnership (Scotland), Equal (Scotland), and the Division of HRMD, Caledonian Business School. The project's steering committee included Anne Meikle, Fair Play; Mark Borthwick, Equal Opportunities Commission; Irene Walker, Scottish Enterprise; John Downie, Federation of Small Businesses in Scotland; and Iain McMillan, Confederation of British Industry. The research team very much appreciated their helpful advice throughout the project.

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Responsibility for the content of this report lies with the authors alone.

GLOSSARY OF TERMS

1. Definitions relating to work-life balance

For the purpose of this project, the terminology relating to the concepts of 'Flexible Working Arrangements (FWA) / Practices (FWP)' and 'Family Friendly Policies / Practices (FFP)' are used interchangeably. This research acknowledges the fact that distinct and specific definitions of each of these terms are elusive, but an attempt to define each of these concepts has been detailed below.

Work-life balance (WLB)

This refers to the adjustment of working patterns. The DTI (2000) stresses that regardless of age, race or gender, everyone can find a rhythm to help them combine work with their other responsibilities or aspirations. Increasingly, employers are developing a wide range of work-life balance options, covering flexible working arrangements and flexible benefit packages (Department of Trade and Industry, 2004). Work-life balance practices are those which, whether intentionally or not, increase the flexibility and autonomy of the worker in negotiating attendance at, and presence in, employment (Felstead *et al*, 2002). Both flexible working practices and family friendly policies are arguably mechanisms by which employees can facilitate their own WLB, 'The right balance between work and the rest of our lives varies from person to person and the policies and practices an employer can introduce will depend very much upon the organisational setting in which employees work.' (Hogarth *et al*, 2001, p.1).

Family friendly policies (FFPs)

A specific type of policy and/or practice put in place primarily to help employees who have family and/or primary care commitments. Examples include childcare information, childcare support, term time working, and part time working. There is considerable overlap in the arrangements described by commentators as family friendly and those as benefiting work-life balance. The difference can be mainly found in the reasons for employees taking advantage of flexible arrangements and the scale of take up. The Chartered Institute for Personnel and Development (2000) confirm that it is most likely that working arrangements will have the best chance of being family friendly in outcome, if they have been developed in dialogue with, or in response to, employee concerns.

Flexible working arrangements (FWAs) and/ flexible working practices (FWPs)

These include a wide range of work-life balance options covering flexible working arrangements and flexible benefits packages. They include practices that increase the variety of ways in which workers are able to relate aspects of work and non-work, e.g. where there is a choice to work part time or full time, flexi-hours or job-share; and includes returner policies, sabbaticals, long leave, parental leave and paid holidays (Felstead *et al*, 2002).

2 Examples of FFPs and FWPs

Examples of FFPs and FWPs (adapted from the UK Department of Trade and Industry, 2001) are as follows:

Annualised hours

Working annual hours rather than weekly working hours

Breaks from work

Unpaid career or employment breaks and sabbaticals

Compressed working hours

Working a total number of agreed hours over a shorter number of working days

Flexible and cafeteria benefits

A range of benefits offered, such as medical care, time off for learning, gym membership etc

Flexi time

Choosing actual working hours, usually outside core times. Start and finish times vary each day

Full time

Working standard weekly hours (e.g. 9-5pm, Mon-Fri, 35 hours per week)

Job sharing

A full time job done split between two individuals

Part time

Working standard weekly hours which are less than full time hours (e.g. 10-2pm, Mon-Wed, 12 hours per week)

Self rostering

Actively specifying hours and times of work, where shift patterns are compiled to suit individuals, and individual preferences are matched to agreed staffing levels

Shift swapping

Negotiating working times to suit own needs and rearranging shifts amongst colleagues or within teams

Staggered hours

Working different start, finish and break times

Teleworking

Working from home using a telephone and a computer to keep in touch with work

Term time working

Working a permanent contract, but having unpaid leave and time off during school holiday periods

Time off in lieu

Time taken time off at a mutually convenient time for extra time worked

V time working

Working reduced hours for an agreed period of time, at a reduced salary with the guarantee of return to normal hours when that period ends

Working from home

Normally working from home, not usually from the office

3. Classifications of business size

MSME

A micro, small, medium sized enterprises which employs 1 to 249 employees (European Commission, 1996; SBS, 2001).

Micro sized business

A business which employs 1 to 9 employees (European Commission, 1996). For the purposes of this project the definition adopted is a business which employs 2 to 9 employees.

Small sized business

A business which employs 10 to 49 employees (European Commission, 1996; SBS, 2001).

Micro/small sized business

A business which employs 2 to 49 employees (adapted from European Commission, 1996; Small Business Service, 2001)

Medium sized business

A business which employs 50 to 249 employees (European Commission, 1996).

NOTE: For the purposes of this project the definition adopted for an MSME is a business which employs 2 to 249 employees

RESEARCH TEAM

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1 INTRODUCTION

This project represents the first substantial exploration of work-life balance practices and issues in micro, small and medium sized businesses (MSMEs) in Scotland. It is set in a context of increasing awareness at European, UK and Scottish levels, of the need for businesses to consider flexible working arrangements to gain business benefits and also to help individuals balance their work and non work responsibilities. This issue is of particular significance in Scotland as 98% of all Scottish businesses employ fewer than 50 people (Federation of Small Businesses in Scotland, 2004).

The project was funded by the European Social Fund and Caledonian Business School, and its overall aim was to encourage the expansion of the numbers of MSMEs in Scotland with active flexible and family-friendly employment policies.

Specific objectives were:

- to explore the current and alternative nature of work life balance policies; their incidence and coverage in MSMEs in Scotland; disadvantages and benefits of flexible working policies and practices; and current strategies for monitoring their implementation;
- to assess the extent to which different and alternative types of flexible work policies and practices meet the employment and domestic needs of employees, especially those with family and primary care commitments and women generally;
- to evaluate the awareness, alternatives and strengths of attraction of flexible work policies and practices to potential labour market entrants, especially to women and those with primary care responsibilities; and
- to investigate the perspectives of representatives from local development agencies careers advisory services, local authorities and other institutions with an interest in promoting employment development and economic stability.

The report addresses the aim and objectives with three main elements as follows.

Background

The first is background to the work. The research design is outlined in Section 2, and a brief overview of relevant literature is provided in Section 3.

Primary Data

The second is the primary research findings. An investigation of current practice in work-life balance in Scottish MSMEs is addressed in Section 4 with data from preliminary interviews with MSME owner-managers (4.1), results from a questionnaire

based survey which was completed by 210 businesses (4.2), and 10 case studies of good practice (4.3). In addition views of potential employees of MSMEs are included (in 4.4), as are those of stakeholder organisations with an interest in economic development (4.5).

Outputs

The third element relates to the way forward and includes activities tailored to help MSMEs instigate or develop further their flexible working arrangements. A framework of good practice in WLB is presented in Section 5, and in Section 6 a work-life balance implementation tool has been developed to help businesses identify the range of flexible working arrangements available, and how to introduce them and ensure optimum benefits. Section 7 provides an overview of outputs from this project, including the Family Friendly Award which was presented in June 2004. Finally, overall report conclusions and recommendations are given in Section 8, with references in Section 9.

2 RESEARCH DESIGN

Introduction

The research design addressed the overall aim and main objectives as outlined in section one. Within this design, each stage had limitations associated with aspects of data collection and with over-arching methodological orientations. In an attempt to minimise these problems and to increase validity and reliability of results, a combination of quantitative and qualitative research approaches was adopted. An action research approach was undertaken in that it was anticipated that the nature and activities of the research itself were likely to inform, and influence positively, the individuals and organisations involved in the study. This association between project activity and impact was viewed as making a contribution to the key overall aim of the project, which was: to encourage the expansion of the numbers of MSMEs in Scotland with active flexible and family-friendly employment policies.

MSMEs were defined by employee numbers (The UK Department of Trade and Industry, 2003; Commission of European Communities, 2001). The definitions of business size adopted were:

micro as 1-9 (later adapted to 2-9),
small as 10-49,
medium as 50-249.

In this study, MSMEs are defined as those businesses with between two and 249 employees.

A number of methods of data collection were involved including desk research; preliminary interviews; a national postal survey; development of good practice case studies; focus group, interviews and questionnaires with potential employees; and stakeholder organisation interviews..

Desk Research

Throughout the project, secondary resources including journals, reports, websites and books relating to work-life balance were accessed. These informed the design of the primary research and exposed gaps in the research to date. A conspicuous need for further research in the MSME sector in Scotland in work-life balance was a key finding.

Preliminary Interviews

Primarily as a pilot tool, ten interviews were completed with MSME owners/senior managers. For this purpose, forty deductive interview questions were developed from key literature themes addressing: employment structure of business; employment practices and issues; general comments on WLB and legislative changes. This introductory study, together with the literature review, helped steer the question

formation for the large-scale questionnaire survey and later interview stages.

Questionnaire Based Survey

The second data collection technique was a nation-wide survey that explored opinions of key influencers and decision makers such as owner-managers and human resource specialists. The key objectives of this stage of the research were to explore the current and alternative nature of work life balance policies; their incidence and coverage in MSMEs in Scotland; disadvantages and benefits of flexible working policies and practices; and strategies for monitoring their implementation.

The questionnaire commenced with broad, factual questions on respondent demographics, business self-perceived growth measures and workforce information. It then moved to exploring the incidence of current work patterns and future plans; followed by management perception of, and support for, these working patterns and employee driven requests; and finally investigated larger areas such as recruitment and retention. The questionnaire was piloted with a convenience group of 20 part-time Masters level students, all of whom came from an MSME background.

From a total population of 243, 575 Scottish businesses from all sectors (Scottish Economic Statistic Report, 2003), a sophisticated sampling frame was developed. Due to the remit of the project funding, large businesses i.e. those which employ 250+ employees, were excluded from the total, as were enterprises from the public sector, not for profit businesses and sole traders. It was assumed that sole traders have limited resources and given the paucity of WLB and FFPs issues with only one employee, it was decided to exclude these businesses from the sample. As mining and quarrying, financial intermediation and education, each contribute to only 1% of Scottish GNP (Scottish Economic Statistics, 2003), these industries and their corresponding UK Standard Industry Classification (SIC) codes, were also omitted from the sample frame. It was calculated that in total 91,810 MSMEs were to form part of the target population for sampling, in the hope of the final sample being representative of the Scottish economy. To this end, proportional representation of the Scottish economy by business size, was also calculated and factored into the final sample.

The sample size was determined by consideration of the target population and probable response rate. In this way sample size of 1280 was determined. It was recognised that ensuring that a survey results in a reasonable response rate is generally problematic (Dennis, 2003). Additionally, locating a single data base of Scottish MSMEs was difficult because the UK Department of Trade and Industry's Small Business Service statistical information combines the data for the whole of the UK. Two established databases were located and utilized in an effort to capture both limited and unlimited businesses. A random sample, using a lottery method (www.randomizer.org) was employed to identify the target of 1280 businesses.. A further 1280 businesses were subsequently sent a questionnaire to augment the total, making the total sample 2560 businesses.

Figure 1:

Breakdown of Questionnaires Sent and Responses Received

	Number of questionnaires sent	Number of questionnaires returned	<i>Number of questionnaires returned from each business category</i>	
June 2003	1280	110	<i>micro/small</i>	95
			<i>medium</i>	15
August 2003	1280	100	<i>micro/small</i>	88
			<i>medium</i>	12
Total	2560	210 (10%)		210

The 10% response rate resulted in 210 useable questionnaires. Of these, 183 questionnaires were completed by micro businesses (with two to nine employees) and small organisations (with 10-49 employees) and 27 were completed by medium businesses (50-249 employees). Micro and small businesses were combined because there were variations in employee numbers over time. The findings were examined across key themes and issues, and they are presented in Section 4 of this report.

Good Practice Case Studies

Ten organisations were selected from the national survey, on the basis that their work-life balance practice and interest indicated their potential for good practice case study representation. Interviews were conducted with the employer/owner or professional representative and at least one male and female employee in each organisation in order to gather qualitative data to meet the objective: to assess the extent to which different and alternative types of flexible work policies and practices meet the employment and domestic needs of employees, especially those with family and primary care commitments and women generally. The resulting case studies were developed to provide material for dissemination of good employment practice.

Potential Employee Focus Group, Interviews, Questionnaires

A three-stage, qualitative approach was devised to gather data from which to evaluate the awareness, alternatives and strengths of attraction of flexible work policies and practices to potential labour market entrants, especially to women and those with primary care responsibilities.

The first stage involved setting up a focus group as a pilot to explore and establish direction for further in-depth evaluation. The focus group was conducted with eleven randomly selected male and female students, as potential entrants to the MSME labour market. The results were used to adapt questions for interviews and questionnaires to gather further data from a wider variety of potential labour market entrants.

For the second stage of gathering data regarding the needs of labour market entrants, twenty interviews were conducted via the Employment Service with randomly selected men and women who were actively seeking employment, potentially with MSMEs in Scotland.

The final stage of gathering data involved distributing forty questionnaires to male and female students and other users of nursery facilities. Five returns represented a 13% response rate.

Stakeholder Organisation Interviews

In order to meet the project objective to investigate the perspectives of representatives from local development agencies, careers advisory services, local authorities and other institutions with an interest in promoting employment development and economic stability, stakeholder organisations were identified to act in an advisory capacity to the project and provide a viewpoint on WLB and FFPs for this report. As a final stage of the study, representatives of four key organisations were asked to comment on work-life balance as a factor in employment and economic development.

Conclusion

The research design was developed to meet the project aim, and a range of methods was used to address directly the specific objectives.

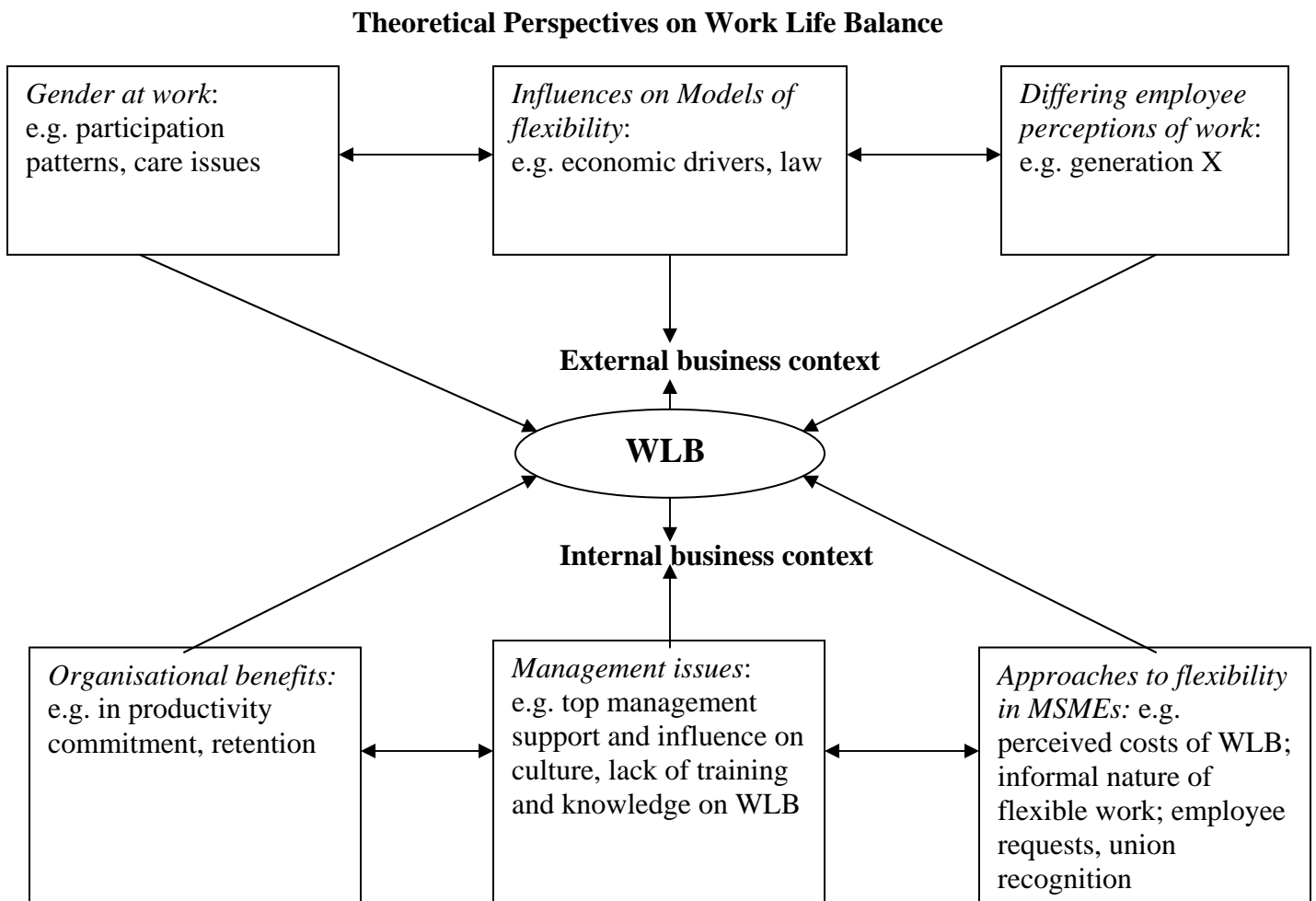
3 LITERATURE REVIEW

Introduction

The evolving nature of contemporary workplaces and workforces is the backdrop of the research into work-life balance within micro, small and medium sized enterprises in Scotland. A range of factors that influence and shape the development of WLB practices in the UK – and therefore Scotland - can be identified to frame understanding of WLB. Broadly these factors can be categorised into those that are external and internal to the workplace (Kramar,1997; Tombari and Spinks, 1999).

External factors constitute general trends affecting employment patterns in organisations indirectly, while internal factors can be viewed as affecting employment arrangements in organisations more directly. The combination and culmination of external and internal sets of factors have given rise to the potential of WLB. Though many of the driving factors are inter-related, outlining each has merit for understanding and developing WLB. External and internal factors, in turn, are outlined in this section. Figure 2 indicates the relationship between the factors.

Figure 2



External Factors

Gender at Work

Changing demographics have played a prominent part in the emergence of WLB, notably the increasing proportion of women in the labour market (Kirkton and Greene, 2000). Some 51% of the UK workforce are now women (Labour Force Survey, 2002), while 47% of the workforce in Scotland are female (Scottish Economic Statistics, 2003). The increasing representation of women in the UK labour market, like other developed economies, is highly significant in the context of WLB. This is because it is economically active women who typically shoulder family responsibilities (Sullivan and Lewis, 2001; Pillinger, 2002; Crompton *et al.*, 2003). Also, women may approach their careers differently from men due to gender-defined biological and socialisation aspects (Amos-Wilson, 1993). While the balance of employment and unpaid caring is changing but males who adopt a larger share of caring responsibilities do not tend to give up full-time work and promotion requires full-time work (Crompton *et al.*, 2003). Women are also influenced in work by the quality of their relationships with their partners and children, according to Barnett (1994). Consequently, it may be that women, more than men, have a vested interest in WLB. This may particularly be so for women with children aged under 13 years who tend to experience greater work-family conflict than parents with older children (Higgins *et al.*, 1994). Dex and Smith (2002), using data from the Workplace Employee Relations Survey (WERS) 1998, have illustrated that Family Friendly Policies are more common where there is a large proportion of women in the labour force. In more traditionally male working environments there appears to be clear anxiety that traditional patterns of working, particularly shift working and overtime, will be threatened by flexible working (Houston and Waumsley, 2003).

Flexible Models of Work

In the early 1980s, the introduction of flexible modes of work into the highly demarcated job structure that characterised the UK workplace at the time, can be seen as something of a landmark in the development of WLB. The most prominent model of flexible working, Atkinson's Flexible Firm, signalled the possibility of departure from restrictive job practices in its introduction of functional, financial and numerical flexibility. Further, it laid the foundation for the development of variations in models of flexible working that are at the root of adjusting work patterns to enable individuals to find a WLB appropriate for them (www.dti.gov.uk/work-lifebalance/, 2004). The extent of models of flexible work that support WLB can be seen in a recent scoping of contemporary WLB:

'[WLB includes] –

- how long people work (flexibility in the number of hours worked);
- when people work (flexibility in the arrangement of hours);
- where people work (flexibility in the place of work);
- developing people through training so that they can manage the balance better;
- providing back-up support; and
- breaks from work'

(Glynn *et al.*, 2002; p9)

Models of flexible working have little impact on work-life balance if offered in isolation (Yeandle *et al.*, 2003). Parasuman and Greenhaus (1997) describe work-life integration as occurring when attitudes in one role positively spill over into another role in a person's life. This can be seen as a synergistic relationship rather than an adversarial one. Other researchers (Kossek and Lambert, 2005) argue that work-life balance strategies should also keep attuned to the conditions under which roles can be combined in ways that minimise psychological distress, regardless of who is in the role or whether spill over ensues.

Legislation

The momentum of the changes in WLB is reflected in the recent introduction of more family-friendly legislation. Significant here is the Employment Act, 2002 which came into force in April 2003, bringing with it more opportunities for WLB. Requesting part time work and extended parental leave are examples of WLB possibilities covered by the legislation.

Differing Employee Perceptions of Work

Reinforcing interest in WLB is what has been labelled the new psychological contract between employers and employees which affords the latter more control over their lives and changing needs from work (Sims, 1994). Integral to this contract are changing employee perceptions of work. Houston and Waumsley's (2003) research demonstrates that flexible working relates to commitment to remain with a current employer and has a positive impact on both psychological and family life.

There is evidence of a general shift in attitudes towards work in the UK whereby work is seen as important in connection with wider life factors, rather than important in its own right (Cooper, 1999; Amos-Wilson, 1993; Vincola, 1999). In particular it has been asserted that the so-called Generation X (those born after 1963) are especially sensitive to, and assertive in, seeking WLB (Vincola, 1999; Shabi, 2002). Though this group may have a heightened interest, WLB matters to all employees (Vincola, 1999).

Internal Factors

Organisational Benefits

General stakeholder and specific organisational benefits are possibly the most influential factors in organisations adopting WLB practices as they offer business improvements which may encourage managers to adopt or extend WLB arrangements. It has been suggested that everyone associated with WLB arrangements has something to gain (Hogarth *et al.*, 2001). Stakeholders range from individuals with family or carer responsibilities, those associated with them in work or at home, organisations and, ultimately, society in general. More specifically, a host of potential organisational benefits are associated with WLB. Dex and Smith (2002) suggest that family friendly working has a positive effect on employees. In their analysis nine out of ten organisations with experience of these arrangements found them cost effective. Additionally, increases

in performance were linked with having at least one Family Friendly Policy. The Chartered Institute of Personnel and Development (2000) cites benefits in improved recruitment, retention, productivity, motivation and employee commitment. Easier service delivery (Hogarth *et al.*, 2001) and enhanced quality service (Lasch, 1999), all-important in competitive market places, are advantages linked to WLB too. A number of case study examinations of WLB in practice (e.g. Hogarth *et al.*, 2001; Kodz *et al.*, 2002) add further weight to the possibilities of organisational benefits from WLB. Such benefits stem from enhanced employee capability (Tombari and Spinks, 1999) enabled, basically, from individuals achieving a WLB that suits them. WLB arrangements have to be carefully planned for mutual employee and employer benefit (Thomas, 2000).

Management Issues

It is recognised that the attitude of the organisational head is significant in influencing business practice (Powell and Mainiero, 1999). More specifically, managers are pivotal in effecting WLB in practice in organisations (Maxwell and McDougall, 2004; Maxwell, 2004). Further, the higher the number of women managers, the greater the level of responsiveness to pressures for employer involvement in WLB (Ingram and Simmons, 1995).

However it has been argued that just as managers, especially females, can facilitate WLB, so too can they impede it. Defensive reasoning patterns that managers may use to resist WLB have been set out (Watkins, 1995). Yeandle *et al.* (2003) categorise managers into 4 types: progressive; vague; ignorant of and resistant to WLB. Male and female managers fell into all categories and in this study having personal caring responsibilities did not make a difference to the category a line manager fitted. Managers are central to creating an organisational culture that supports WLB in practical terms and such supportive organisational cultures are important in WLB (Tombari and Spinks, 1999; Kropf, 1999). There is also a need for leadership by example, in managers creating a work culture where managers and employees can openly discuss WLB (Shabi, 2002). Evidence suggests that line managers have generally limited knowledge of organisational flexible working and Family Friendly Policies and very few have participated in training in this area (Yeandle *et al.*, 2002 and 2003; Bond *et al.*, 2003).

Approaches to Flexibility in MSME Businesses

Most studies of WLB cover large organisations and it is important to recognise the likelihood is that 'smaller organisations have quite different approaches to flexibility' (Mayne *et al.*, 1996; p9). The recent research work of Shirley Dex of the Judge Institute of Management, Cambridge University in the UK, is an example of the modest amount of research covering smaller businesses. One of these pieces of work is based on a survey of 23 small and medium sized enterprises with under 500 employees throughout Britain. Principal among the findings are that MSME employers see WLB as a costly imposition in that there is some opposition to it on the grounds of potentially negative business effects and lack of time and/or skills to alter working arrangements (Dex and Scheibl, 2002). However, the findings also show that flexible work arrangements are indeed

practiced, albeit informally. Dex and Smith's 2002 suggest based on their evaluation of the WERS survey that MSMEs may be relatively family-unfriendly. However since the 1998 WERS survey there appears to be more potential for staff substitutions to facilitate family-friendly practices. It appears that at best there is a variable uptake of practice in approaches to flexibility. In turn this points to both to the under-development of human resource practices in MSMEs (Cassell *et al.*, 2002) and the growing importance of WLB in smaller businesses (Brand and Bax, 2002). Also a further finding is that employees evidently want flexibility in hours of work and that unionised employers are more likely than those without unions to have Family Friendly Policies (Dex and Smith, 2002; Bond *et al.*, 2002).

Conclusions

Both external and internal factors impact on WLB. Gender, forms of flexibility and employee perceptions of work are influential external factors, while the benefits of WLB, management issues, and approaches to flexibility in MSMEs are influential internal factors. What is clear is that WLB is a broad and multi-faceted subject. To encourage expansion in the numbers of MSMEs in Scotland with active WLB policies, the research work covered in this report has specific objectives as detailed in section 1. These objectives are addressed in turn in subsequent sections of the report. The next section considers the project's preliminary interviews.

4 FINDINGS

4.1 Preliminary Interviews

Introduction

As a preliminary stage to the main research, it was decided to conduct interviews with owner-managers to identify relevant themes and issues for further exploration. These interviews explored employment practices, work-life balance issues and terminology, government legislation on flexible working, and the use of FWPs from the business and employee perspective.

Subject Backgrounds

The subjects were businesses in each of the 10 cluster areas designated for likely growth by Scotland's economic development agency, Scottish Enterprise. The sectors were opto-electronics, construction, creative industries, micro-electronics, biotechnology, forestry, tourism, finance, textiles, food and drink.

WLB Terminology

WLB terminology was generally unfamiliar to many of the MSME owner-managers interviewed.

Nature and Incidence of FWP

While both women and men employees had requested FWPs, their availability varied with job position and sector. In practice, WLB tends to involve flexibility in the number of hours people work; days of work, and the facilitation of breaks from work. However there appeared to be less willingness to adopt flexibility with regard to place of work. For example where working from home occurs, it is mainly at managerial level, with managers taking extra work home or being available to take calls from countries in different time zones.

The financial services consultant interviewed indicated that most of the non-managerial staff work job-share or part-time. Within the tourism business, they operated four hourly shifts to accommodate staff preferences. Others, such as the forestry and the food and drink managing directors, had a range of flexible working patterns which included: staggered time; time off in lieu; summer work; reduced hours for an agreed time period; and part/V time. Some managers indicated that they often cover extra hours to allow staff to have the WLB they require to the detriment of their own WLB.

WLB Boundaries

Businesses were quite clear that WLB is limited by a requirement to set boundaries to ensure the business needs and customer requirements are fully met. FWPs therefore are in use, as and when required, for both business and employee/manager needs.

Perceived Benefits and Costs of WLB

Owner-managers perceived the business benefits of WLB as including improvements in: employee recruitment and retention; product and service delivery; commitment, motivation and employment relations. They were also very aware of potential business costs including: lack of work routine; health and safety issues; increased administration and financial burdens; reduced teamwork; and potential abuse of such patterns by employees.

There was concern amongst owner-managers that government legislation on WLB and FWP does not address the practical issues of micro, small and medium sized businesses.

Conclusions

A number of themes emerged from these preliminary interviews. These were further explored through the survey, the findings of which follow in the next section.

4.2 Questionnaire Based Survey

Introduction

Findings from the questionnaire based survey provide data to meet the project objective: to explore the current and alternative nature of work-life balance policies and practice; their incidence and coverage in MSMEs in Scotland; disadvantages and benefits of FWP; and current strategies for monitoring of flexible working policies and practices.

Specifically this section presents respondent and company profiles; the current and alternative nature of FWPs and FFPs; the incidence and coverage of FFPs in Scotland; benefits and disadvantages of FWPs and FFPs; recruitment and retention issues relating to FWPs and FFPs; and a review of the business monitoring arrangements. Additionally some key conclusions are made. It should be noted that micro and small businesses were combined because there were variations in employee numbers in participating businesses over time. Key findings are as follows.

Respondent and Company Profiles

Respondent Profile

Of the 210 completed questionnaires, 87% were provided by micro/small sized businesses and 13% from medium sized businesses. Owner-managers completed the questionnaire in almost half of cases (46%). The remainder of the respondents included 'other' category (45%) and human resource specialists (8%) and, not unexpectedly, the latter were more prevalent in medium sized rather than micro/small businesses. Almost two thirds of the respondents were male (63%).

Company Profile

The respondent businesses represent an even spread across the Standard Industry Classifications for Scotland, with almost a third (30%) being established between 1999 and 2003. Almost half of responding businesses (43%) use a mixture of both formal and informal employment procedures and just over one half (52%) have a financial turnover of less than £750,000 per annum. Of those businesses which chose to give information about their employee profile, it appears, that on average, the majority of staff employed are male and also a majority are under 40 years old.

Current and Alternative Nature of FWPs and FFPs: Incidence and Coverage

Current Working Hours

The majority (60%) of all survey businesses operate a 5 day week, and over one third (35%) currently open for business on 6 or 7 days per week.

The majority of all businesses (76%) operate between 31 and 60 hours per week, and almost one fifth (19%) of medium sized businesses, compared to only 4% of micro/small sized businesses, conduct business for 101 hours per week or more. It may be that a greater capacity for staff to work flexibly would allow more businesses – particularly micro/small businesses - to trade outwith their traditional hours and days per week, which may be increasingly important in the global economy.

Current Working Patterns for Employees and Managers

The most frequently recorded working patterns for employees in micro/small sized and medium sized, businesses are identical: full time; part time; time off in lieu; and staggered hours.

There is greater variation in practice between the differing sizes of businesses when managers are considered. In micro/small sized businesses: full time, time off in lieu, staggered hours, and self rostering, are the most frequently mentioned work patterns for managers, compared to full time, time off in lieu in medium businesses. No managers are reported to job share and a small number (13%), work part time. The lack of opportunities for job sharing and part time working for managers may present unnecessary barriers to women with family responsibilities entering management positions in MSMEs in Scotland. In addition, there is little evidence of use in this sector of patterns of working such as annualised hours, v time working, and compressed working hours. There could be a range of reasons for this, and these may include a lack of knowledge about these patterns, lack of information on their potential benefits and realistic review of costs to the business, lack of resources to introduce and maintain flexible working arrangements.

Management Approaches and Issues

A generally supportive view of FWP and FFP was expressed by survey respondents. Over three quarters of medium sized businesses (78%) said they are supportive of employees working flexible work patterns. This appears to be borne out in practice as more than half of the medium sized businesses (59%) have had requests from employees for flexible working arrangements, and in all cases except two, had acceded to these requests..

While a majority of micro/small businesses (69%) said they are also supportive, employees here appear to be less demanding as requests for FWPs in these businesses were received in only 38% of cases. It may be therefore that requests for changes in working patterns in micro/small businesses and their accommodation are often informal in nature. This would link with the more intimate nature of these businesses, as a majority (83%) of micro/small sized businesses are aware of their employees' responsibilities for dependents, compared to less than half (44%) of medium sized businesses.

Overall, it seems that there is a generally supportive view of FWPs in MSMEs, and that when flexible working patterns are requested by employees, there is likely to be a positive response. It seems also that the onus for instigating FWPs often rests with individuals at work. Where no such requests are made, this could be the result of a lack of need by employees for FWPs; an established culture where such requests are not encouraged or indeed are frowned upon; or lack of confidence, information, or overall awareness of alternative work patterns and their implications, by individual employees and their managers.

Alternative Nature of FWPs and FFPs

As to the future, the majority (82%) of all MSMEs say they have no plans to introduce flexible working patterns. It may be that businesses will wait until employees request FWPs, and this may increase with growing awareness of the recent employment legislation which gives staff the right to request flexible working. It may be too that this could change or be changed with the availability of more evidence to MSME decision makers, on the business and staff benefits to be gained through using FFP and FWPs.

Of the 10% of businesses which do plan to introduce flexible working patterns the most frequently mentioned by medium sized businesses are flexi time, job share, and part time. For micro/small sized businesses these are time off in lieu and part time.

Benefits and Disadvantages of FWPs and FFPs

Benefits

The top benefits of flexible working patterns highlighted by MSMEs are: helping retain staff (72%); aiding recruitment (69%); enhancing employee relations (66%); increasing employee motivation (59%); enhancing employee commitment (56%); and improving employee loyalty (55%).

Figure 3:
Perceived Benefits of Flexible Working Patterns

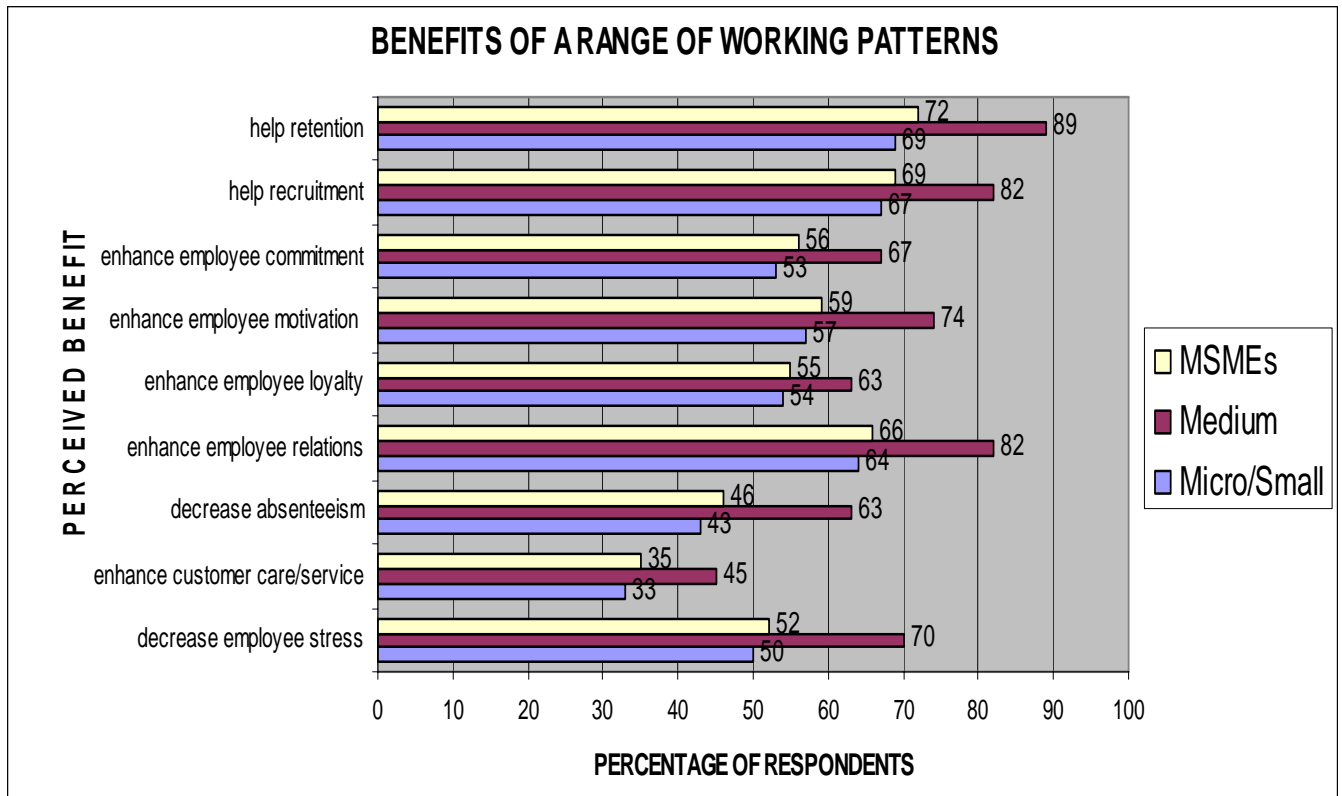


Figure 3 presents perceived benefits of flexible working patterns categorised by size of business, and shows that the ranked order of perceived benefits for both medium and micro/small, sized businesses were identical. It also shows that in general a higher proportion of medium businesses commented upon the perceived benefits of flexible working patterns.

Figure 4:
Possible Benefits of Different Working Patterns in MSMEs

<i>Possible Benefits of Different Working Patterns for MSMEs</i>	<i>Unclear/No Opinion (% age of total respondents)</i>
Enhanced Customer Care	39%
Improved Absenteeism	33%
Decreased Employee Stress	31%
Increased Employee Loyalty	29%
Enhanced Employee Motivation	24%
Improved Employee Relations	21%

As can be seen in Figure 4, a substantial percentage of respondents do not know or have no opinion as to whether FFPs and FWPs can enhance their customer care, absenteeism, employee perceptions and approach to the business, and possibly their performance. This finding may be the result of some MSMEs having little or no experience of, or information about, flexible working patterns.

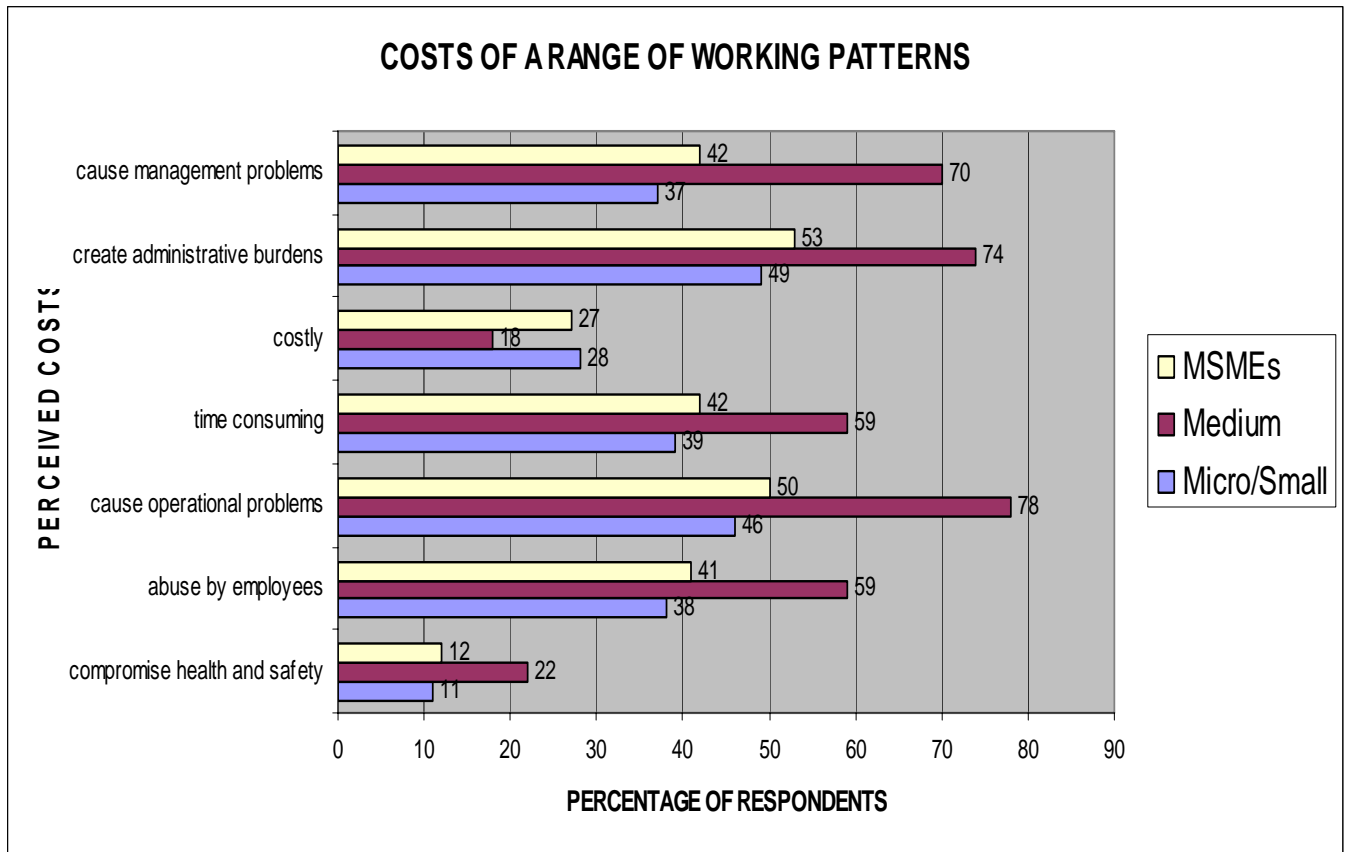
Company growth factors include: customer numbers; profits; turnover; staff numbers; costs; and product service innovation. Almost two thirds of all respondents (63%) reported that costs have increased and this is the case across all sizes of MSME. Given that benefits from using FFPs and FWPs can decrease employment costs e.g. through improved recruitment, retention, attendance, employee motivation, there is the potential for a positive impact on those all-important costs for businesses which implement WLB and FFP. There are, therefore, sound business reasons for MSMEs to raise WLB on their business agendas not only to be responsive to employee needs, but also to gain benefits which can contribute to addressing their business costs and increasing their profits.

Disadvantages

The five most prevalent costs of flexible working patterns have been identified in MSMEs overall as: more administrative burdens (53%); operational problems (50%); management problems (42%); time consuming (42%); and abuse by employees (41%). However in each of these areas, a significant minority disagree that these are costs.

Respondents' views of the costs of having flexible working patterns are given in Figure 5, categorised by size of business. Respondents from medium sized businesses were much more vocal about the costs of FWPs – as was the case with benefits – than their micro/small sized businesses colleagues, and this may be the result of having greater experience of such patterns.

Figure 5:
Perceived Costs of Flexible Working Patterns



As can be seen in Figure 6, a substantial minority of respondents are unclear or have no opinion on the impact of working patterns on their business costs, health and safety standards, employees particularly in terms of them abusing such patterns, operation, management and administration.

Figure 6:

Possible Costs of Different Working Patterns

<i>Possible Costs of Different Working Patterns for MSMEs</i>	<i>Unclear/No opinion (% age of total respondents)</i>
Business expenses	37%
Health and safety compromises	36%
Employee abuse	33%
Operational problems	27%
Management problems	24%
Administration burden	21%

Interestingly, the perceived benefits of FWP appear to be stronger than any perceived negative aspects. Between 4% and 8% of respondents disagree with each of the possible positive benefits of flexible working patterns. No businesses however disagree strongly with the possible positive benefits.

The comments from the survey relating to WLB and FWPs demonstrated benefits particularly:

- reciprocity: e.g. *“Staff may work extended hours (unpaid) at times of priority. This is reciprocated by a liberal (but measured) attitude to time off for family needs”*;
- enhanced employee motivation: e.g. *“The type of work being carried out is mobilizing employees back to work which means people have to have a flexible work pattern”*,
- the openness of communications which can accompany WLB: e.g. *“This organisation operates an open communication practice between managers and employees with monthly team meetings where opportunities..... are fully debated. This is a very effective tool in maintaining a good rapport”*.

Recruitment and Retention

Recruitment

As can be seen in Figure 7, the poor quality of applicants and competition from other businesses are the priority recruitment issues for businesses in this sector regardless of their size. For micro/small businesses, the next most important issue is lack of applicant numbers, while for medium businesses, this is peaks and troughs in the market caused by changing customer demand.

Figure 7:

Priority Recruitment Issues for MSMEs

	<i>Micro/Small</i> (%age of total respondents)	<i>Medium</i> (%age of total respondents)
1 st	Poor quality of applicants (55%)	Poor quality of applicants (74%)
2 nd	Competition from others businesses (38%)	Competition from other businesses (59%)
3 rd	Lack of applicant numbers (35%)	Peaks & troughs in the market (52%)

It could be argued that flexible types of working patterns could contribute to addressing these issues. By offering and promoting such patterns it is possible that businesses could enhance their position in the recruitment market, attract candidates of higher quality, and be more responsive to employee needs compared with competing businesses, and have greater flexibility for dealing with changing market trends. However it seems that these businesses do not realise this, as the least mentioned recruitment issue for MSMEs was lack of flexible working patterns, with only 15% of medium sized businesses and 7% of micro/small sized businesses stating that this was a recruitment issue for them.

Retention

Staff Turnover

Over the past year (2003), almost half of the micro/small sized businesses in this survey (40%) had no staff turnover. However for those micro/small business which did experience staff turnover, almost a quarter (24%) had up to half of their workforce leaving over the course of a year. It seems therefore that there is a considerable variation in the experience of staff turnover in micro/small businesses in Scotland.

As to medium businesses, the picture seems to be less polarised. A small percentage (11%) had no labour turnover, and a similarly small percentage (11%) had staff turnover of over 10%.

Retention Tools

FWPs and FFPs are believed to be a means of retaining staff by almost half of all businesses (46%), and this view is slightly more prevalent in micro/small businesses.

As to their use of FFPs (54%) as a retention tool, again there is slightly higher incidence amongst micro/small businesses with just over half (55%) as compared to just under half of medium businesses (44%) saying they use FWPs for this purpose. However a

substantial minority of medium businesses say they do not use FFPs (41%) nor FWPs (37%) as a means of managing retention. This figure is less in micro/small sized businesses however.

Monitoring of FWPs and FFPs

Almost one half (43%) of MSMEs have a mix of both informal and formal procedures in place for employment generally, with informal employment procedures only in 22% of micro/small sized businesses compared to 4% medium sized businesses. Perhaps not surprisingly therefore, over four fifths of MSMEs in the survey (83%) do not monitor the impact of flexible working patterns, though there is slightly more monitoring occurring in medium sized businesses (22%) compared to micro/small sized businesses (10%). This may be linked to resource issues or to the likelihood of more advanced human resource policies and practices in medium businesses. Examples given of how such monitoring takes place include:

- tangible evidence such as figures on costs against sales, productivity, sickness, absenteeism, error levels;
- communication with employees e.g. dialogue over shift patterns; informal feedback; listening to and observing employee reactions; seeking views on needs for changes; and
- business processes such as time recording and diary monitoring.

It is interesting to note the diverse and often informal processes for monitoring of FWPs. For MSMEs to become convinced of the benefits of FFPs monitoring plays a key role so that data can be identified. It is perhaps important however, that communication on this should stress the relevance of informal ways of carrying out such monitoring, so that the perception of FFPs involving a heavy administrative burden is not perpetuated particularly in micro/small businesses.

Conclusions

It is clear from this survey that there is some evidence of flexible working patterns being utilised by MSMEs currently in Scotland, with some limited likelihood of these being developed further in the future. The survey also identifies the perceived benefits and costs of a range of working patterns. However perhaps more importantly, it highlights that a substantial minority of businesses simply are unclear or have no opinion about the advantages which flexible patterns of work could contribute to their current operation. The findings also indicate that MSMEs do not make explicit linkages between FFPs or FWPs and their recruitment issues, even where they could make important contributions. Overall, limited monitoring of flexible working patterns takes place.

Overwhelmingly the survey highlights the need for greater information and guidance for key decision makers in MSMEs in Scotland about the nature of FFPs and FWPs and how they can make a contribution to business effectiveness. In particular it points to the need

for information about the reality of potential costs of flexible working patterns, together with a realistic assessment of possible benefits linked to MSMEs' real business challenges and recruitment and retention issues. These, together with suggestions as to how a cost/benefit analysis could be carried out, will represent an important step in enabling more informed decision making about using FFPs and FWPs. The following section will focus on the next objective of the project and the findings revealed in the good practice case studies.

4.3 Good Practice Case Studies

Introduction

Good practice case studies were selected from the survey respondents who offer FWPs. The findings from these case studies provide data to address the project objective: to assess the extent to which different and potential types of flexible work policies and practices meet the employment and domestic needs of employees, especially those with family and primary care commitments and women generally.

This section explores the background detail of the case studies, assesses through quantitative and qualitative descriptive analysis the extent to which different and potential FWPs are meeting the needs of those with family commitments. It also summarises points of good practice that emerged from the case studies which informed the framework of good practice given in section 5; and develops some brief conclusions. The case studies can be seen in Appendix 1.

Case Study Backgrounds

The ten cases comprised: 3 micro; 3 small; and 4 medium sized businesses. They were drawn from across the Standard Industry Classification of the Scottish economy. Three of the case studies wish to be anonymous and have been named Clinco, Printco, and Golfco. The nature and locations of the case study businesses are listed below.

Micro Sized Businesses

Northern Hype (Aberdeen) a promotional design business
DOF UK, (Aberdeen) a shipping business
Clinco, a clinical research business.

Small Sized Businesses

Golfco, a Golf Club
Kelton Engineering (Aberdeen) a consultant engineering business
Maxwell MacLaurin Solicitors (Glasgow)

Medium Sized Businesses

Oregon Timber Frame Limited (Jedburgh)
Printco: a commercial print business
NMB Minebea (Inchinnan) a printing and computer keyboard manufacturer
Langstane Press (Aberdeen and Dundee) an office consumables, furniture and print supplier

Specifically these cases were selected because they had provided evidence of good practice in the survey responses. The criteria of good practice used were as follows: having a range of FWPs; being generally supportive of FWPs; having plans to introduce FWPs; undertaking monitoring of FWPs; having plans to introduce more FWPs;

monitoring FWPs; and having responded positively to employee requests to changes in working patterns.

Current Types of FWPs and FFPs

The majority of case studies reveal flexibility in the number of hours people work, when people work, assistance available for breaks from work, and flexibility in where people work (normally this is working at home). Specifically the case studies' FWPs include: flexi time (8 businesses) part-time working (5); working at home (5); time off in lieu (4) and continental, staggered and rotational shifts. Figure 8 details the current working arrangements in the case studies.

Figure 8: Current Working Arrangements in the Good Practice Case Studies

<i>Case Study</i>	<i>Northern Hype</i>	<i>DOF UK</i>	<i>Clinco</i>	<i>Golfco</i>	<i>Kelton Engineering</i>	<i>Maxwell MacLaurin</i>	<i>Oregon Timber</i>	<i>Printco</i>	<i>NMB Minebea</i>	<i>Langstane Press</i>	TOTAL
<i>Working Pattern</i>											
<i>Flexi time</i>	Yes	Yes	Yes	Yes	Yes	Yes			Yes	Yes	8
<i>Part time</i>				Yes		Yes	Yes	Yes		Yes	5
<i>Job Sharing</i>									Yes		1
<i>Full time</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	10
<i>Time off in lieu</i>					Yes		Yes	Yes	Yes		4
<i>Flexible and cafeteria benefits</i>				Yes							1
<i>Shift swapping</i>				Yes			Yes				1
<i>Working from home</i>	Yes	Yes	Yes		Yes		Yes				5
<i>Term time working</i>											
<i>Compressed working hours</i>											
<i>Breaks from work</i>									Unpaid time off in certain circumstances		1
<i>Self rostering</i>											
<i>Annualised hours</i>							Yes	Yes			2
<i>V time working</i>											
<i>Teleworking</i>											
<i>Staggered hours</i>										Yes	1
<i>Other</i>	Part timers chose their own hours			Compassionate Leave				Continental (3x12 hrs per week),staggered and rotational shifts			5 others not mentioned above

There is evidence for more support from senior management for working from home for technical and managerial staff than for other employees. A manager (from Oregon Timber Frame Limited) described working from home for three days a week, and from an office located elsewhere on the two days per week that were predominantly spent travelling. He said this gives him, the “*best of both worlds*” work and home. Two other businesses located in Aberdeen (DOF UK and Northern Hype) indicated that, working from home is facilitated by technology such as mobile phones and laptops.

FWPs were identified by many of the businesses as providing the 24 hour per day cover required. Examples include requiring to take a late night phone call regarding a business emergency (DOF UK) or making a business call to a different time zone of the world (Clinco). The part-timers at Maxwell McLaurin Solicitors and Northern Hype negotiated their hours around the needs of the business and their own WLB needs.

It is worth noting that medium sized businesses offer a wider range of working arrangements than the micro or small sized businesses. This may be due to more available resources to manage FWPs.

Potential FWPs and FFPs

Generally most of the 10 good practice case studies report that they listen to suggestions on potential FWPs & FFPs for the future from employees. For example Oregon Timber plan to “*look at any proposal from employees for flexible working.*” Northern Hype and Kelton Engineering intend to increase the number of employees working from home. Langstane Press are considering the introduction of a nine day working fortnight in the near future. Kelton Engineering will increase the usage of flexitime by its employees. Northern Hype is also contemplating the introduction of “*duvet days*”, where any employee can take one or two days off a year without phoning in sick or taking annual leave. This will allow them to stay at home, on a day they feel they need a break from work, as long as they phone by a specified time on the day they plan to be off.

FFPs and FWPs Meeting the Employment and Domestic Needs of Employees

It would appear that in the good practice case studies, employers are meeting the needs of most of their employees (women and men equally), to allow them to balance their work and domestic requirements. Employers appear knowledgeable about their employees while their employees generally felt comfortable requesting changes to their working patterns as their lives evolved. Managers on the whole appear willing to listen to, champion, and try to accommodate such requests to retain their employees. WLB is seen by employees and employers to aid retention; reduce stress levels, tiredness, and absenteeism; and enhance contentment, motivation and peace of mind. FWPs and FFPs allow employees to continue working in their chosen field and enable employers to retain highly valued, trained and knowledgeable employees.

A manager in Golfco explained when interviewing a potential employee: “*I mentioned flexibility and she was pleased that we offered this, as it would help her out with the other*

responsibilities she had.” At Langstane Press a female employee explained... *“When I had my first child, I worked 10am – 2pm and then gradually increased my hours.”* Another woman described FWPs as *“allowing more mothers to come back to work.”* Some businesses have very pragmatic reasons for allowing FWPs and FFPs: *“In our location it is very difficult to get the skilled people and it’s not in our interests to make it difficult for them [employees]”* (manager, Printco).

The Human Resource Director in Printco stated: *“There is not anything that we wouldn’t consider,”* and a male employee in the same company confirmed that there is *“every working pattern you can get. I can’t see how you can get any more.”* Reciprocity is also illustrated. *“It is a give and take relationship both ways ...if staff work for me over the weekend then I give them the time back at a later date”* (Managing Director, Kelton Engineering). As to absence, one business has had only *“three to four sickness days since 2001, because people are able to deal with the unexpected without panic and pseudo sick days.”*(manager Printco). As one employee put it, *“I have a more balanced working life and my family are happier and I am happier. I can concentrate properly on what work I have to do and not get distracted by family arrangements”* (NMB Minebea employee).

The businesses are equally supportive of male employees trying to manage their WLB effectively. One male manager for instance had shift flexibility accommodated at short notice to suit his family needs. This man has a young family, and a wife who has inflexible working arrangements. However there is reciprocity to suit the business needs: *“when we need him at 12 noon and he is not due to start at 1 pm, we will call on him”* (manager, Clinco)

Stress is also seen to be reduced in two ways. The first is avoidance of peak traffic *“Because I work flexitime I miss a lot of the traffic ...I immediately feel mentally better as I have not had to sit in jams prior to getting to work.”* (employee DOF UK). The second is being able to deal with home requirements *“You want to come to work - and it’s easier to come to work – not having outside stresses – as this is a busy department.”* (employee, Printco)

Monitoring of FFPs and FWPs

In most of the businesses the monitoring arrangements of employees’ and managers’ working arrangements are generally informal. This is due to the small and manageable size of the business. For example, in Northern Hype if someone walked in 3 hours late to the open plan office all the other staff would notice. The solicitors’ office Maxwell MacLaurin has a more formal flexitime system in place. However, two businesses are of the opinion that low key monitoring works best (Clinco and Northern Hype). An example of monitoring is in Clinco where employees send an email to register that they are on the computer system when working at home. However, Northern Hype and Printco, both recognise that no monitoring of FWPs allows abuse, and can be demotivating for the other employees. Additionally, an absence of formal monitoring systems makes it difficult to gather hard data on the benefits and the costs of FWPs.

Conclusions

In the good practice case studies managers are aware of, and sensitive to, the needs and expectations of their employees' work and domestic needs. Female and male employees are given equal access to FWP. There is also a willingness to consider facilitating such arrangements on request from employees. Both employers and employees can see the tangible and intangible benefits FWPs bring. However not all businesses systematically monitor FWPs. Perhaps guidance on the monitoring of FFPs and FWPs would encourage more businesses to monitor their impact.

As was mentioned earlier, these case studies informed the development of the framework of good practice, which can be found in section 5. The next section will present the views on FFPs and FWPs of potential entrants to the MSME labour market.

4.4 Views of Potential Employees

Introduction

Findings from multiple sources provided data to explore the awareness, alternatives and strengths of attraction of flexible work policies and practices to potential labour market entrants, especially to women and those with primary care responsibilities.

This section outlines the research methods and respondent profiles, and then explores their knowledge of, and preferences in, FFPs and FWPs. It then discusses the attraction of FFPs and FWPs, and offers some conclusions.

Research Methods and Respondents' Backgrounds

The research methods used for this element of the work varied and comprised:

- a focus group discussion with 11 final year undergraduate students of Glasgow Caledonian University;
- interviews with 20 job seekers visiting a Glasgow city centre job centre; and
- questionnaires completed by five users of a Glasgow city centre nursery, including those in further and higher education.

Twenty five of the respondents were female, 11 were male. Most were in the age range 16 – 40 years old. Twenty three had childcare responsibilities, and nearly a quarter were single parents of one child or two children.

Knowledge of FFPs and FWPs

The responses on knowledge of FFPs and FWPs centre on: level of understanding; work and childcare demands; single parenthood; and business size. Each of these is outlined in turn.

The level of understanding about FFPs among the job seekers and nursery user groups of respondents is evidently modest, with only two (female) respondents indicating any knowledge of the term. However, there is apparently a higher level of insight into FWPs. A further 11 respondents - ten of them female - were able to comment on flexible working in general, or flexi-time in particular. In contrast, the student participants demonstrated a high level of knowledge of both terms. They readily connected FFPs and FWPs to difficulties inherent in combining work with childcare responsibilities, largely from the perspective of parenting responsibility. Most views volunteered by this group were rooted in individual experience, as exemplified by the following quote: *“It is through personal necessities and trade union experience that I know about FFP and FWP issues.”*

A recurrent and dominant theme commented on by all parents in the informant groups, when asked about their knowledge of FWPs and FFPs, is negative experience in bridging

work and childcare demands. In particular, several respondents commented on having to downgrade or even leave their jobs because of childcare. One mother, for instance, explained: *“I felt I was forced to choose my child or my work.”* Another mother expressed the status of her job relative to childcare in a more illustrative way: *“Employers should remember that mothers already have a full time job and coming to work is a second job. I was looking for some time off once to take my little girl to the hospital and my then boss who was female told me to get someone else to take her as I was not allowed the time off. She told me I was the one who decided to return to work and be a working mother and therefore it was up to me to juggle. I was so angry at this comment.”*

Though it appears that such difficulties mainly face working mothers, working fathers may also experience problems. The male, single father who took part in the focus group reported that, in a previous job, he was *“forced to take some annual leave for child care issues.”* Further, he emphasised *“the largest, single issue for me working is about childcare.”* His comments reflect the particular challenge of combining work and single parenthood that had resonance for lone parents across all three informant groups.

Business size as an influence on FFPs and FWPs was raised by four of the students in the focus group. Here, the consensus was that smaller businesses are less likely than large businesses to have the resources to manage FFPs, so *“there may be a conflict of interest between employee and business needs and this obviously could cause problems.”*

Preferences in FWPs

The strength of preference for FWPs among the respondents with childcare responsibilities in rank order is:

- 1st flexitime
- 2nd part time work
- 3rd equal compressed working hours and term time working

Single parents have a heightened desire for FWPs, as noted above, but also feel they face difficulties in securing suitable work which allows them to combine parenthood and work. One explained she omits her lone parent status deliberately at application stage, yet recognises: *“FFPs are necessary to enable me to do my job effectively.”* Another single mother articulated this contradiction too: *“I want to go into management [but] in management positions you need to work such long hours....and there is a huge conflict.”*

For respondents without childcare responsibilities, the ranking of preferences is similar in that flexitime is included, but dissimilar in all other types of working pattern. Their rank order of preference is:

- | | |
|-----------------------|--|
| 1 st | flexitime |
| 2 nd | full time work |
| 3 rd | staggered hours |
| 4 th equal | shift swapping, and flexible and cafeteria benefits. |

Arguably these preferences reflect personal choice more than necessity of circumstances.

Parents and non-parents alike did not identify any FWPs alternate to those presented to them from the DTI list. It is likely this reflects limited experience and knowledge of FWPs.

Attraction of FFPs and FWPs

For the majority of respondents an important factor when seeking employment is the availability of FFPs and FWPs. The importance is accentuated for those who currently have childcare responsibilities, especially single parents as outlined earlier, as the following two quotations indicate. A working mother indicated that FFPs and FWPs are *“very important [because] work should fit around the needs of young children as this allows the mother to achieve more at work – [and have] less stress.”* Further, the female students without children indicated that these practices will be important for them in the future as *“When I have children it will be extremely important and if I was to apply for jobs at that time it would be one of the main things.”*

In addition, all but two of the male job seekers stated they would like FFPs and FWPs for more general and self-interested reasons than dependents’ care. One man’s opinion was that *“It would be good and if it was to help me get a better job and one I’d really like, that would be great. It would help people manage work and other commitments and issues better I think.”*

Another stated: *“Yes, [FFPs and FWPs are] important. I have no children but would like to be able to take time off when it suited my needs.”*

Therefore it appears FFPs and FWPs in general would be attractive, for differing reasons, to all three informant groups of potential MSME employees. Also, the attractiveness of these arrangements from a business point of view was highlighted by two female respondents. One of these reasoned *“I think that if you are working hours that suit your needs you are going to be more productive. Anyone looking for flexible work is more grateful when they can work flexibly and as a result tends to be more productive.”*

Lastly, as a possible echo of prospective expectations of work conditions, three of the female students asserted that FWPs may be a matter of employee rights linked to the psychological contract. One referred to the increasing amount of employment legislation

in this area, while another expressed that *“There are issues with fairness and equilibrium in managing FFPs and FWPs. If staff think they are not being fairly treated then this can create animosity.”*

Conclusions

FWP is more familiar terminology to potential employees than FFPs. The female respondents in particular are aware of FWPs. Many respondents have negative experiences of combining work and childcare, especially lone parents. There is some recognition of smaller businesses being less likely than large businesses to be able to manage FFPs.

However, the respondents generally have preferences in FWPs, most commonly for flexitime. This form of flexible work aside, there are differential preferences for types of FWPs across parent and non-parent respondents. Lone parents have a particular desire for FWPs. When seeking employment, FFPs and FWPs are perceived as generally attractive, but again especially so for lone parents. There is some evidence, from the student focus group, of growing expectations of FWPs.

Thus in short there is a contrast in the views of potential employees on FWPs and FFPs: their knowledge is not extensive and their experiences are typically negative, but nevertheless they have distinct preferences for FWPs and perceive them as attractive in seeking employment.

4.5 Stakeholder Organisation Interviews

Introduction

Interviews were undertaken with key individuals in four organisations to investigate the perspectives of representatives from local development agencies, careers advisory services, local authorities and other institutions with an interest in promoting employment development and economic stability.

These organisations are considered to be influencers and decision makers in promoting employment development and economic stability. Specifically, interviews were conducted with representatives from the Equal Opportunities Commission (EOC), Scottish Enterprise (SE), Federation of Small Businesses in Scotland (FSB), and Glasgow Caledonian University's careers service. In interviews, representatives were asked to comment on their organisation's position on employment and economic development with regard to WLB. Their responses are summarised below.

WLB and Employment Development

It is felt that flexible working and the associated legislation targets are currently presented too narrowly in that they only address family care needs. This may inhibit the development of WLB for those without families. It was suggested that the emphasis could be extended to address the needs of people with wider interests and caring responsibilities and not just those with children.

There was also comment on gender issues and WLB. The need to ensure that WLB becomes available to both genders, and that it is not simply seen as a female only issue was raised. It was suggested that stereotypical issues should be examined and adjusted to address men's needs as fathers and carers. The suggestion was also made that, because women job share more and work less hours (such as in part-time work) that employers often see women's commitment to work as less than that of men, who mostly work full-time. The comment was also made about the need to *"change the dynamism so that WLB is about more than women, it's the way we live our lives and interact with work."*

The dominant long hours culture currently adopted by employers and managers is seen as encouraging rigidity. It was referred to negatively as 'presenteeism', where productivity is linked to employees simply being there and putting in long hours, rather than working effectively. It was pointed out that *"productivity is not necessarily linked to long hours – examples in Germany show this – but the culture is endemic here."*

The view was presented that organisations need to be made more aware of the business benefits of FFPs. FFPs that encourage WLB should be viewed as leading to business benefits such as improving business functioning, improved recruitment and retention of staff, as well as encouraging employee flexibility. FFPs were also discussed as promoting good staff morale, general well-being and employee loyalty. It was suggested that *"organisations find they get more out of their workers if they want to be there."*

Employers need to understand that they are better able to recruit and less likely to lose valued and experienced staff and to make net savings in recruitment costs by offering employees FFPs and FWP that will allow them to combine work with their home, family and other responsibilities and commitments.

WLB and Economic Activity

The public sector is, in general, perceived as having embraced WLB, FFPs and FWPs more than the private sector, with the exception, perhaps, of some financial sector examples, *“such as Lloyds TSB, where some senior staff . . . work a four day week.”* Small and family forms of business, it was considered, perceive these as inappropriate or impossible for them.

A need to encourage recognition of employee productivity alongside WLB was presented. It was suggested that caring responsibilities should be recognised as having a net benefit in the economy. Comment was made that if economic value measures continue to dominate, then full recognition of unpaid work is liable to remain, in the main, unrecognised. For this to change, it was suggested that there is a need to promote this aspect of WLB and to be quite upbeat about it. In the face of the current difficulties of even coming to terms with flexibility in work, the perceived need of employers to understand life as a whole, including other interests apart from work is viewed as likely to be very difficult..

It was pointed out that WLB can have a very narrow construction and that, more widely applied, it can be about personal development and being a citizen as well as participating more fully in society. Furthermore and regrettably, it was suggested that for businesses *“this may sound idealistic and not of the real world of work.”*

It was recommended that high level role models need to be presented, where senior managers are seen to engage in FFPs and WLB themselves. Also raised was a perceived need for more examples of good WLB practice from different sectors of the economy, including examples from smaller and more local organisations. *“It’s very important to have local examples of good practice, home grown examples.”*

Conclusions

Stakeholders present a viewpoint that there may be an unnecessarily narrow portrayal of WLB and FFPs, both in regulations and within MSME policy and practice. The question of gender was raised, with a case being made for both men’s and women’s needs for WLB to be better represented. There were suggestions for improved economic and MSME practice and for encouraging WLB and FFPs in employment development terms as well as within economic development. Not least of these is the need for better presentation of existing owner manager and senior management role models in Scotland.

5 FRAMEWORK OF GOOD PRACTICE IN WORK LIFE BALANCE

The good practice case studies presented in section 4.3, informed the development of the framework of WLB good practice for MSME employers which is presented below.

Work-life balance offers a range of business benefits: improved employee performance and productivity; increased employee motivation, commitment and retention; and enhanced quality service for example. For individual staff, work-life balance is enabled by flexible working arrangements. Part time hours, job share, shift work, compressed working hours, voluntary reduced hours, term time work are common examples of flexible working arrangements. Basically, flexible work means any hours of work that are different from traditional hours which often centre on full time work.

Introducing and operating flexible work practices involves some planning and review. Smaller businesses that have introduced some flexible working indicate that the framework of good practice below supports the development of flexible work for the mutual benefit of businesses and their people.

- **Firstly: Knowing and Valuing Your People**

- listening to individuals' requests for changes to their working hours
- setting an example of hours of work that accommodate a personal work-life balance
- actively encouraging a working atmosphere where staff can be open about the fit of work in their lives
- understanding the wider life responsibilities and interests of each of your employees

- **Secondly: Introducing Flexible Working**

- responding to employee requests for flexible work by considering the work and business effects of new work arrangements
- finding out more about flexible working (for example by visiting the websites in this report, and seeing examples of good practice in operation)
- proactively considering the work and business effects of new work arrangements for the mutual benefit of staff and the business
- ensuring the everyone involved in each new flexible work practice knows why the practice is being introduced
- setting realistic expectations about the nature and extent of flexible practices in light of business resources and needs
- encouraging operational managers/ supervisors to support flexible work and including them in the planning of new arrangements
- involving staff - or their representatives – in the planning of flexible work
- devising a formal policy and practical procedure for flexible practices
- operating a new flexible practice on a pilot/ trial basis with volunteer staff over a defined period of time

▪ **Lastly: Monitoring the Effects of Flexible Working**

- having a small project team, with operational managers and staff, to organise new arrangements and deal with any early snags
- assessing the performance of staff who are working flexibly
- identifying the benefits associated with flexible working from staff, manager and business points of view
- identifying and addressing the challenges and costs associated with flexible working from staff, manager and business points of view, including business information and people's opinions
- evaluating the overall impact of the flexible work arrangements, for example by doing a cost/ benefit analysis
- communicating with all of your people on the impact of new flexible arrangements
- considering incorporating flexible work arrangements into general work patterns then:
- amending terms and conditions of service (as stated in employment contracts/ statements) to include new hours of work.

Conclusion

A framework of good practice in work-life balance has been developed for MSMEs. The challenge for many such businesses is that of knowing the various options in flexible working arrangements, and working through the practical implications of their implementation. These are addressed in the following section through the Work Life Balance Implementation Tool.

6 WORK LIFE BALANCE IMPLEMENTATION TOOL

IMPLEMENTATION TOOL: Putting Flexible Working Policies into Practice.

This is a guide to help you put Flexible Working Policies (FWPs) into practice. It is for companies which have not yet considered or used FWPs, and for those which have already made a start with such working practices and wish to extend their options.

Stage 1 suggests ways in which FWPs can benefit your business, and highlights the wide range of FWPs available to you. Stage 2 then identifies how to introduce a new FWP, and suggests ways of checking that you reap maximum business and employee benefits from such practices.

Stage 1: Business Benefits and FWPs

FWPs can help to improve the running of your business. Would you like to:

- Reduce your overall business costs?
- Help to increase your company's productivity?
- Gain an edge over your competitors in recruitment?
- Improve staff retention?
- Improve the quality and number of good applicants for jobs?
- Make your business more responsive to peaks and troughs in the market?
- Enhance employee motivation and loyalty?
- Improve product/service quality?
- Reduce absence levels?

If yes, you may wish to consider FWPs and there are lots of these to suit your business and staff needs. They include:

You can read about examples of FWPs in small and medium sized businesses in Scotland by visiting:
www.worklifebalanceresearchsme.org.uk

Part-time working: standard weekly hours which are less than full time hours

Job Sharing: A full-time job split between two individuals

Flexi-time: Employee chooses working hours usually outside core times. Start and finish time may vary

Working from Home: Normally working from home, not usually from the company

Time off in Lieu: Time taken off at mutually convenient time for extra time worked

Teleworking: Working from home using a telephone and a computer to keep in touch with work

Term time working: Working a permanent contract, but having unpaid leave and time off during school holiday periods

Staggered hours: Working different start, finish and break times

Annualised hours: Working annual hours rather than weekly working hours

Compressed working hours: Working a totally number of agreed hours over a shorter number of working days

Shift swapping: Individuals negotiating working time to suit their own needs and arranging shifts amongst colleagues or within teams

V Time working: Working reduced hours for an agreed period of time at a reduced salary with the guarantee of return to normal hours when that period ends

Please go to STAGE 2 for suggestions on implementing and monitoring of FWPs

WORK LIFE BALANCE IMPLEMENTATION TOOL: Putting Flexible Working Policies into Practice

Stage 2: Implementing and monitoring FWP

**Introducing a new FWP in your business need not be difficult.
This can be helped by:**

- Encouraging an atmosphere where staff can make requests for changes to their working hours
- Encouraging senior staff to work flexibly
- Listening to requests for new work arrangements and considering their likely effects on the business
- Encouraging managers to see such changes in a positive way
- Involving staff in the planning of new working arrangements
- Devising a policy and procedure for flexible practices
- Operating a new flexible practice on a pilot, trial basis to assess its impact.



FWPs are appropriate for all types of people at work regardless of age, race or gender e.g.

- Managers and employees
- Customer facing and support staff
- Production staff and administrators
- Women and men
- Those with and without family responsibilities



Monitoring the impact of FWPs on the business can include:

- Talking to managers and those working flexibly to explore their views on how things are going
- Listening to and observing employee reactions to changes
- Assessing changes in performance of staff working flexibly e.g. through:
 - Productivity
 - Costs vs sales
 - Quality and error levels
 - Sickness and absence data
- Introducing a short trial period so that the effect of the new FWP can be checked
- Having a small project team with managers and staff to assess impact and deal with early snags
- Using processes such as time recording, diary monitoring and meetings
- Making a note of advantages and any disadvantages arising for your business and reviewing these to assess impact.
- Reviewing the use of FWPs to ensure they meet the changing needs of your employees

7 PROJECT OUTPUTS

There has been a wide range of dissemination activities from this project and they are presented below.

Publicity, Publications and Reports

ESF Project Summary Report on Work-Life Balance in Smaller Businesses in Scotland: Encouraging the Expansion of Flexible Work Policies and Practices, 2005.

Information and application form for the Family Friendly Award, Scotland 2004

Glass wall plaques for the Family Friendly Awards Scotland 2004, awards of: best practice to Charlie Taylor, Hair, Health & Beauty; and good practice to Gormac Coachworks

ESF WLB Preliminary Interview A5 Vignettes prepared for the Action 3 of Equal Community Initiative Open Day launch, February 2003.

ESF WLB Promotional Pamphlets prepared for the Action 3 of Equal Community Initiative Open Day launch, February 2003.

Division of HRM&D Newsletter on Research and Knowledge Transfer, Glasgow The Caledonian University, Volume 2003, Number 2 (December 2003) 'Work-life balance in Micro, Small and Medium (MSMEs) Enterprises in Scotland'

Caledonian (Newsletter), 'WLB Research Team', July 2003, Glasgow Caledonian University

Caledonian University, Volume 2003, Number 1 (June 2003) 'Divisional ESF Project: Work-life balance in Micro, Small and Medium (MSMEs) Enterprises in Scotland'

Division of HRM&D Newsletter on Research and Knowledge Transfer, Glasgow

Articles on Family Friendly Awards, Scotland 2004

Glasgow Evening Times Newspaper, 12th May 2004 'Search for a firm with family touch'.

The Caledonian (newsletter), 'Family Friendly Recognition', June 2004, Glasgow Caledonian University

Dundee Courier Newspaper, 16 June 2004, 'Tame Unruly Hair'.

Aberdeen Press and Journal Newspaper, 24 June 2004, 'Perth Crimpers Win'.

Paisley Daily Express Newspaper, 20 July, 2004, 'Coach Firm is Racing Ahead'.

The Caledonian (newsletter), 'Family Friendly', September 2004, Glasgow Caledonian University.

Research Tools and Data

Preliminary interview schedule to inform the questionnaire development

Scottish National MSME WLB survey questionnaire

Case study development interview schedules for owner/managers, male and female employees and in medium sized businesses line management

Views of potential labour market entrants schedule for Group/Interviews and Questionnaire Findings

Views of key stakeholder key questions

WLB Educational Tools and Models of Good Practice

WLB Framework of Good Practice

WLB Implementation Tool: Putting Flexible Working Arrangements into Practice

Research Website

<http://www.worklifebalanceresearchsme.org.uk>

Ten Good Practice Case Studies

Micro Sized Businesses

Northern Hype (Aberdeen)

DOF UK (Aberdeen)

Clinco, a clinical research business

Small Sized Businesses

Golfco, A Golf Club

Kelton Engineering (Aberdeen), a consultant engineering business

Maxwell, MacLaurin Solicitors (Glasgow)

Medium Sized Businesses

Oregon Timber Frame Limited (Jedburgh)

Printco, a commercial print business

NMB Minebea (Inchinnan), a printing and computer keyboard manufacturer

Langstane Press (Aberdeen and Dundee), an office consumables, furniture and print supplier

Peer Reviewed Conference Presentations

Bell, S., MacVicar, A., Ritchie, L. and Maxwell, G. with Professor M. McDougall (2004) 'Weighing up Gender in Work-life Balance: A Focus on Smaller Businesses', Paper presented to *British Academy of Management Conference*, August 2004, St Andrew's University.

MacVicar, A., Maxwell, G., Ritchie, L., Bell, S. with Professor M. McDougall (2004) 'Work –life Balance in Smaller Businesses: Policy and Practice', Paper presented to *Centre for Research on Families and Relationships' Work-life Balance: Across the Life-course Conference*, 30th June – 2nd July 2004, University of Edinburgh.

Bell, S., MacVicar, A., Maxwell, G. and Ritchie, L. with Professor M. McDougall (2003) 'Work-life Balance in Smaller Businesses: An Economic Necessity or a Costly Imposition?' Paper presented to *Innovating HRM International Conference*, 7-8th November 2003, University of Twente, The Netherlands.

Bell, S., Maxwell, G., MacVicar, A. and Ritchie, L. (2003) 'Sizing up Work-life Balance Practices: Developments in Micro, Small and Medium Sized Enterprises', Paper presented to *British Academy of Management Conference* 15-17 September 2003.

Events Presentations

Family Friendly Award, Scotland 2004 Presentations, *Glasgow Caledonian University*, June 2004.

Presentation at Chartered *Institute of Personnel and Development West of Scotland* 'Knowledge into Practice Event' September 2004.

Launch of Family Friendly Award at *Glasgow Caledonian Small Business Forum* May 2004.

Presentation Folders at the *Centre for Family Enterprise Conference*, Glasgow Caledonian University, November 2003.

Presentation at *ESF Action 3 of Equal Community Initiative Open Day launch*, February 2003.

Presentation at *Equal Transnational Conference*, Sicily, Italy, October 2002

For Information: Useful Websites

<http://www.dti.gov.uk/work-lifebalance> (Department of Trade and Industry)

<http://www.employersforwork-lifebalance.org.uk/EfWLB.htm> (Employers for work-life balance forum)

<http://www.cipd.co.uk/subjects/worklifebal> (Chartered Institute of Personnel and Development)

<http://www.flexibility.co.uk/issues/WLB> (Flexibility)

<http://www.worklifebalancecentre.org/> (Work Life Balance Centre)

<http://www.workliferesearch.org/> (Work Life Research Centre)

8 CONCLUSIONS AND RECOMMENDATIONS

Introduction

This element of the report now presents the key conclusions and recommendations.

8.1 Conclusions

Current Practice in MSMEs in Scotland

- There is evidence of a range of working patterns being used currently, and those most frequently recorded are full time, part time, time off in lieu, and staggered hours. In general managers do not have as much access to flexible working patterns as their employees. There is very little evidence of the use of less well known patterns of working such as annualised hours, v time working, and compressed working hours.
- There is limited monitoring of FWP in MSMEs, and this reduces the ability of businesses to identify the benefits and costs of such practices.
- The main benefits of flexible working practices are indicated as: improving staff retention, aiding recruitment, enhancing employee relations, increasing employee motivation, improving employee loyalty and enhancing employee commitment. Costs are believed to be: administrative burdens, operational problems, management problems, time consumption, and potential employee abuse.
- A substantial minority of businesses are unaware of the benefits and costs of different patterns of work. MSMEs in this study appeared not to realise that FFPs or FWPs could contribute positively to their key issues such as recruitment, retention, cost cutting and employee relations. A substantial minority of companies simply are unclear or have no opinion about the potential contribution on to their operation which could be made by FFPs or FWPs
- There is a need for greater information and guidance for key decision makers in MSMEs in Scotland about the nature of FFPs and FWPs and how they can make a contribution to business effectiveness.

Good Practice with WLB in MSMEs

- Good practice points to the need for managers in MSMEs to be aware of, and sensitive to, the needs and expectations of their employees in terms of their work and domestic arrangements.
- Good practice involves equal access for women and men to FWPs and a

willingness by employers to consider facilitating such arrangements on employees' requests.

- A recognition of there being mutual benefits of FWP for both employers and employees is a feature of good practice.
- A framework of good practice in WLB in smaller businesses has been developed as part of this project. The framework involves three key elements: knowing and valuing employees; introducing flexible working; and monitoring its effects.
- An output from this work has been the development of an Implementation Tool to help MSMEs use good practice in implementing flexible working arrangements. It is for use by businesses which have not yet considered FWPs as well as for those which have already made a start with such working practices and wish to extend their options.

Potential Employee Views

- There is some recognition of smaller businesses being less likely than large ones to be able to manage FFPs. This is important for MSMEs, as there is some evidence that potential employees perceive FFPs as attractive when they are seeking employment, and have growing expectations of their provision by employers.
- Potential employees have preferences in FWPs, most commonly for flexitime. This form of flexible work aside, there are differential preferences for types of FWPs across those who are parent and non-parents, with lone parents having a particular desire for FWPs.

Stakeholder Views

- Stakeholder organisation interviews indicate that WLB and FWPs should be considered in their widest possible sense to enable responsiveness to the needs of both women and men, and to ensure that men are not excluded from FWPs.
- It is important to promote, as role models, senior managers in the MSME sector who engage with, and practice, flexible working.
- Historically, MSMEs have tended to view flexible working arrangements as inappropriate due to anticipated difficulties in their implementation.

General

- Factors which are both external and internal to a business have an impact on WLB. Gender, forms of flexibility and employee perceptions of work are influential external factors, while the perceived benefits of WLB, management issues and approaches to flexibility, are influential internal factors.
- There is a need for further research into the practices of MSMEs in Scotland with regard to WLB.
- The profile of WLB and FWPs in the MSME sector has been raised due to the wide range of outputs from this project including, publications, reports, articles, presentations and website development.

8.2 Recommendations

- There is an important need for the provision of more guidance and information on WLB for owner managers of MSMEs. The language in which this is presented needs to avoid the use of jargon and confusing terminology. This will support further development of FWPs in this sector, not only for employee but for business benefit.
- Consideration should be made of integrating knowledge of WLB, FFPs and FWPs into existing and new business support initiatives, particularly emphasising the link with the potential benefits of improved business efficiency.
- The WLB Framework of Good Practice for Smaller Business and the Implementation Tool for putting FWPs into practice, which have been produced as part of this project, should be used proactively to develop FWPs in the MSME sector.
- Further research is required into the benefits to MSMEs of developing and implementing policy and practice in WLB.

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Appendix 1: Good Practice Case Studies

JOB SHARING and FLEXIBLE WORKING HOURS IN MINEBEA

Company Background

Minebea in Scotland is at Inchinnan. It is a medium sized company involved in the business of printing computer keyboards, and in this field it is one of the world's leading manufacturers. While it is part of a global operation, the plant at Inchinnan is autonomous in terms of its people management policies. There are 100 permanent staff here, and the HR Manager Ralph Connelly identifies that people are very important in Minebea as over 70% of all costs are payroll.

Flexible Working Practices

The Company offers a range of flexible working patterns including job sharing, time off in lieu, flexible hours, unpaid time off in certain circumstances. Many of these patterns have emerged as a result of employee requests over the last three years. Previously there had been some resistance in management to flexibility in working practices, but it was decided that this should change, and so *“we put the message out that we would consider any requests”* (for flexible working). Initially staff felt that because of history, *“their requests would be knocked back”*. However management explicitly communicated through line managers, and the Employee Representative Council which meets monthly, that requests would be considered seriously.

As a result, for the last 2 years there have been several employees who are job sharing. When this was first suggested, managers looked carefully at the implications for both the company and the individuals involved. Various issues had to be worked out such as how statutory holidays, sick pay, holiday pay and overtime would be arranged. However these were easily resolved. Anne Marie is the Quality Manager and she has 4 Job Sharers in her team. She believes that the impact on the team has been positive, as the individuals involved are more positive and enthusiastic and less tired than before. She highlighted that with employing job sharers, it was important to consider the resources available with a view to making the best use of them. However she considers this to be part of managing and not made more problematic because of this working pattern.

As to working flexible hours in Minebea, a different example is Lisa who is a Senior Accountant with a staff of 3 people. She has a daughter of 6 years old, and when her child caring arrangements changed because of a family bereavement, she decided that she wanted a different working pattern from the normal working hours. She developed a proposal about working more flexibly, identifying carefully how this would affect her department. Her proposal was that she would start early (7 45 am), and finish early (2 45 pm); and then make up to the 38 ½ hours per week, by working at home. In addition at the month end, when the work load is particularly onerous, she would work to ensure the completion of all necessary tasks. This arrangement was agreed and now allows her to pick up her daughter from school and spend the time with her that she feels is important. Lisa believes that she now works harder, is less stressed, and is more productive - partly because when she is working from home there are no interruptions. She says that now

she has “*a more balanced working life, and as my family are happier, I am happier. I can concentrate properly on what work I have to do and not get distracted about family arrangements.*” So far this is working out very well for all parties.

The Way Ahead

The view in Minebea is that there have been “*no real negatives*” about flexible working hours and job sharing. It is however recognised that while there are different expectations of managers compared to those at more junior levels, there is also an important imperative in being able to retain very experienced and effective members of staff. It is the intention therefore “*to look at each case*” as requests are made with a view to reaching an effective outcome for all parties.

Learning Points

- Going into work-life balance practices with a positive mind is more constructive than looking for problems. “*If you think this won’t work, that itself may make it difficult to get over any hurdles*”.
- For individuals there is an important financial implication if hours are cut.
- Individuals may be nervous about bringing up the possibility of changing their working hours in the belief that it will change the positive perception held of them in the Company, and this could result in an individual leaving their job rather than asking for a change in working pattern. It is relevant therefore to make clear that such requests will not damage reputations.
- Where the company has been flexible “*I believe that when we require something extra, people are more willing, and they know it’s not for ever*”.

FLEXIBLE WORKING IN PRINTCO

Company background

This is a commercial printing company based in a mainly tourist town the western Highlands of Scotland. The business was set up thirty years ago by two of its six directors. The operation, quality and success of its 24-hours-a-day, 6-days-a-week production are reliant on the contribution and skills of its 64-strong, mainly male workforce. With the company's culture still led by the two founding directors who, "*did not want a company bound with rigid policies and procedures*", the HR director describes the company as having a family feel to its operation, "*We know all the staff; all their families.*" Although she considers it to be a lot more formalised since she joined it four years ago, she describes the formal human resource management emphasis as avoiding bias and ensuring, "*we keep on the right side of the law*".

Flexible working practices

The company is open about recently becoming one of the first printing companies in Scotland to introduce a system of annualised hours for financial reasons and the need to bring a level of flexibility of staff. It operates on continental shifts (3 days of 12 hours).. In addition there is full-time and part-time working and time-off-in-lieu of additional hours worked. There are also staggered shifts, rotations and variable shift systems and patterns. So long as it meets business requirements, any combination or type of flexible working will be considered to accommodate their employees' family and home requirements,. "*There is not anything that we wouldn't consider.*" This is confirmed by one male manager who works flexibly to meet family care commitments and describes the company as offering, "*every working pattern you can get is here. I can't see how you can get more.*"

Current flexible working practice and points of good practice

"Because of our location, it is very difficult to get the skilled people and it's not in our interests to make it difficult for them." It is crucial for the company, therefore, that any working arrangements that suit the business needs are considered and accommodated, where possible.

They consult and talk to staff to ensure both employee and business needs are met. Each manager is responsible for shift planning. "*Staff are very much involved and if they are not happy, they will tell us – they have no problem telling us*". "*. . . it's also about grannies and their daughters who are working.*" One female member of staff describes a situation concerning the imminent return of a member of staff from maternity leave, "*Angie will return and she and her husband will work alternate nights/days and I will job-share with Angie. In six months time . . . everything will be reviewed. I think it will work but if it doesn't, there will be the option to talk about it.*"

Effects of flexible working

The company reports increased loyalty and commitment from its workforce and staff support this view. *“We have to make it possible for people to give 120% . . . and we get it”. “They will come and go with us as we will with them.” “We have a loyal workforce who are long-serving but that may be the region as there are not a lot of print jobs here”.*

One member of staff interviewed talked about a lot of people still in the company who, *“started at 16 and are still here at 24 or 32”.* She also discussed the motivating effect of *“being respected and valued”,* and in terms of *“not wanting to take time off sick.”*

Flexitime is seen as totally workable and, according to the HR director, *“We wouldn’t allow it if it didn’t suit the needs of the business”.* An example is quoted by the HR director of shift flexibility and variability being accommodated at short notice to suit the family care needs of a particular manager with three young daughters and a wife who has shift-working arrangements that are rotational and whose employer is inflexible. This is clearly reciprocated to suit the company’s operational needs, for example, on occasions when, *“if we need him at 12 noon and he is not due to start at 1 pm, we will call on him.”*

From the employee point of view, the effects are similarly positive and a female member of staff whose child has health problems, described the flexible working for her very positively and, in general, as making people happier, *“You want to come to work - it’s easier to come to work – not having outside stresses – as this is a busy department.”*

Costs and benefits of flexible working practices

Neither the company nor the employees can see any real costs involved. The manager who can be called on outside shift hours expressed the view that he feels he could, if necessary, turn down such requests. The company views their flexible approach as allowing them *to recruit the people they need.* They also see it as a retention tool, allowing them to *“keep these people by making their lives a lot easier.”* One female employee describes the personal benefits as, *“I’m not as tired. It’s motivating and there’s no negative feelings towards the people you are working for. They get a lot out of staff who don’t feel torn between work and home.”* Another, the male manager, who works flexibly to accommodate his family care commitments, expresses the benefits as follows, *“if I’m happy at work I work better, harder and am more productive because of that.”*

There are solid business benefits from flexible working practices, such as customer preferences for dealing with particular business cultures. This company feels that *“our clients do business with us because of the quality and type of company we are, not because we are cheaper. It starts at the grass roots with our staff.”*

Learning points

- The HR director cautioned that flexible working is open to abuse if not monitored, “*who’s doing what, attendance and work hours.*” Her advice to others is that people’s expectations are a lot higher than in the past. “*Society has had to respond to them and so companies need to think outside the box, outside the 9-5 mentality.*”
- Companies need to “*get to know their staff and their circumstances and monitor each individual’s needs against the needs of the business*”.

FLEXITIME AND EMPLOYEE CHOICE AT NORTHERN HYPE

Company Background

Northern Hype is a micro business (1-9 employees) established in 1996. The main focus of the business is designing promotional materials, such as posters and leaflets for pubs and clubs. The company employs 6 full-time staff (the designers and the office manager) and 20 part-timers and street workers (who do the leaflet drops/distribution). Some of these staff are very casual and may only work 4 hours a week at their convenience. The owner/manager's ethos regarding people management is that there has to be flexibility in the way people are managed at work, as long as each individual's working approach does not have an adverse affect on anyone else.

Flexible Working Practices

The FWP's offered at Northern Hype are: flexitime, part-time work and working at home. Reflecting on the start up stage of his business the owner/manager declared that he had got very tired working. *"In the early days there was a lot of work at night and when people worked late at night in pubs and clubs distributing posters they took the time back by coming in later in the morning."* As any reasonable employer would expect them to do. The owner/manager stated that he did *"believe in work/life balance."* He put across a business case for his philosophy *"Creative people need space, they need to have fun. They need to go out and see other people's ideas."*

The flexible working patterns have therefore evolved because the operating hours are not 9-5 pm Monday to Friday. The single female office manager interviewed indicated her job was 9-5 p.m. (although she finishes at 1.00 pm on a Friday). Her full-time job hours allow her to do another cleaning job later in the early evening, for 2 hours, five days a week Monday to Friday. The office manager however understood from a business perspective how her hours could not be flexible, *"it is just not practical at the moment"*. They suited her own needs however as she has no caring responsibilities just now. In the past, she had left jobs because, one required too many unpaid hours and another a fixed night shift.

The full-time employees working flexitime are expected to be in the office by 10.30 a.m. The system operates on a trust basis, time sheets are kept, but they are really more to record hours on the job for billing customers. The office manager thought: *"flexitime was ideal for this business because the greatest number of calls come in, in the afternoon and everyone is in then and coming to life if the business operated 9-5 pm people would be going home. 'Cos we have this flexibility if people need to stay on late or come in early there are no complaints."* She indicated that long term abuse of the trust involved with flexi-time would be virtually impossible *"If some-one walks in 2 hours late (given the size of the business) everyone would know."* This had happened in the past and it did affect other staff negatively. On occasions if full-time staff have a deadline to meet where

they need space they can work one day a week at home because it was acknowledged by the owner/manager *“they get more done.”*

Evening and weekend work is covered by 20 part-timers who are street workers and they can choose the hours they want to work, as the founder put it, *“they are very casual and we accommodate how they want to work. One of the full-time staff does the casual rota on a Tuesday with a ring round – it is not a big deal.”*

The business also has *“certain days for certain jobs”*. For example, 6 flyer distribution staff may be required, from 9 am - 6 p.m. for one day only. This work is offered on a *“take it or leave it basis to available part-time staff”*. So there is no pressure on part-timers to do the work unless they want to.

Current practice and picking out strands of good practice FWP

“As long as ... there is team consideration and respect FWP are an easier way to live your life..... it is therefore not a problem to take 30 minutes off your job for a haircut.” Owner/manager.

The female office manager felt that *“the staff were well aware of the good set up they had at work and don’t want to jeopardise it”*. Another, said *“as long as the work gets done and there is no negative client feedback then everyone is happy.”* The culture at Northern Hype is supportive of FWPs because everyone recognises that these arrangements help meet business and employee’s needs. The office manager, could see that *“It is handy for my colleague who has a son and clients can catch staff up till 8.00 p.m. at night”*. This graphic designer and father of a four year old boy indicated that his *“flexibility of our hours is managed on a day to day basis...a client was coming in to see me at 9.00 a.m. so I came in for that meeting a little sharper than usual and then went away a wee bit earlier.”*

Costs and Benefits of Flexible Working Practices

Two interviewees indicated that if FWPs are abused it can cause morale problems with the rest of the staff. The owner/manager mentioned that now he can get calls out of his normal working hours – however he sorted most of this out 8 months ago. FWPs can improve the productivity and the quality of the product produced. The benefits of FWPs were succinctly summed up by the owner/manager as enhanced morale, creativity, recruitment, retention and customer service.

The Way ahead

More working at home, the introduction of duvet days (where staff can have a day or two at home without phoning in sick or using up their annual leave entitlement) and the use of a 24 hour service for reception work to release the office manager from her set hours and provide an even better service to customers. The business is exploring the latter avenue at the moment.

Learning Points

- Encourage a supportive culture where staff feel comfortable about raising changes in their working patterns with their employer.
- Owner/manager leads by example.
- Have a pool of available labour which allows part-timers to accept or reject small work packages freely.

FLEXITIME AT DOF UK LTD

Background

DOF UK Limited was established in 1999 and is located in Aberdeen. It is a satellite of a large Norwegian Company but its accounts and financial arrangements are run as an independent business. The business currently has 6 full-time and one contract worker. Effective HR/People management is seen as very important for this business because it is difficult to recruit and retain good people. Given the small office environment, HR policies/changes are communicated informally by word of mouth. Although the company is completely independent, it is described by the Finance Manager as mirroring the Norwegian Company which has “.....good practices. They want employees to be have a happy time at home and at work and are very family orientated.”

Flexible Working Practices

The FWPs available are flexitime and working from home. There are 2 main reasons for flexitime; the business needs 24 hour “flexibility of cover” and staff requirements/ need for FWPs: “I negotiated more holidays and hours to suit my life before I joined the company.” Purchasing Manager.

The Purchasing Manager was clear that “if a ship breaks down staff do not get paid until the vessel is working again” and this conforms to the industry standard. However as the Finance Manager indicated “If staff are called out in the middle of the night they need to get some time back.” There are also times when extra hours are required, and flexitime facilitates this business need. The Purchasing Manager emphasised importance of the flexible approach used: “Whether it be picking up a child, going to the doctor or dentist – no-one is clocking you in or out with a stop watch. You can do this with this size of business, with more people you might get more abuse. Everyone works slightly differently, some come in earlier some come in later. When we are busy extra hours are required. Since my youngest child has gone to school in Aberdeen (I have) adjusted my 7.3 am start to 8.15 am. I now work through my lunch, but leave at the same time.”

Working at home evolved because of the poor weather conditions, and this has not been found to present a problem as all staff have mobile phones and laptops and so are in ready contact with the centre.

Costs and benefits of FWP

No real costs of FWP were identified in this business. The system they have works. “Something like job share however would require too many handovers for our business ” Finance Manager. “When swapping over ships they want one contact on shore as they have 2 crews covering a month on and a month off - having a similar situation on shore during the week would be too difficult” Purchasing Manager.

The importance of FWPs in retention of staff was emphasised by the Finance Manager. He described this working practice as leading to “*a happier, more committed workforce and less stressed staff.*”

The importance of flexibility in contributing to a better quality of life was highlighted by the Purchasing Manager who valued flexibility in times of travel to and from work to avoid rush hour traffic.

The Way Ahead

There are no current changes planned in the business at the time of writing.

Learning Points

- Senior people do operate flexitime.
- FWPs have been found to address important business challenges of recruitment and retention.
- The small size of a micro business, makes the monitoring of flexitime relatively easy.

FLEXIBLE WORKING IN CLINCO

Company background

Clinco is a wholly owned non-profit subsidiary that operates as an independent company with charitable status, with close links to its USA owners. The company was set up almost three years ago to develop and undertake clinical trial research projects. The company operates with a managing director and 4 full-time female employees and a male handyman from its High street office base in the small tourist town of Kingussie in the Scottish Highlands.

As a newly formed company that is entrepreneurial in attitude, the company has begun to develop flexible approaches to its employment practices to suit the needs of its employees. None of the workforce has family care responsibilities, although the MD is realistic about the possibility of that changing, *“There are three young women here, so we will see babies, I imagine . . . most women would be working p/t when they start a family and I would rather have part of a well-trained person [than lose them]”*... The MD also believes in the value of flexibility, *“to allow people the capability of living a life and dealing with everyday circumstances as well as getting the job done.”*

Current flexible working practice and points of good practice

The company runs on normal office hours but flexi-time operates on an informal basis to suit the day-to-day needs of employees. Home working also takes place and is made possible by being able to re-direct the phones and having external computer access. This is used to suit both the needs of the business, for example for international telephone conversations over different time-zones as well as employee needs. *“I will often work at home. I have a dog and if she’s alone, I can be there. I can log onto the server and can re-direct the phone to the home phone and the mobile”*.

Effects of flexible working

Shifting start and finish times has enabled one member of staff to travel with her husband to work and has allowed them to shift to owning only one car. She estimates an overall financial saving of around 12.5% of her salary. She also sees the benefit of husband and wife being able to travel together and spend more time together. The MD believes that flexibility supports staff retention and loyalty, that you would not otherwise get. *“If you treat people as mature, responsible adults, they will behave so. You get a happy, less stressed workforce”*. *“People are likely to leave and find another position without it – so it’s important to allow it”*.. She also expressed the view that there was a positive effect on absenteeism, with the company only having three to four sickness days since 2001, *“because people are able to deal with the unexpected without panic or “pseudo sick days”, which I am sure would happen if people were not able to adjust their hours”*.. Both the MD and another female employee discussed the need for time off to manage

home life, including care of dogs and being at home for repairs and maintenance work to be undertaken, as well as in support of social activities such as, *“to go away for the weekend”*.

Learning points

- The MD suggests that other businesses can adopt flexible working if the kind of work allows it. She advocates monitoring by establishing what employees have done when they get back. Logging in and out of work can be done by computer, *“via them sending an email on arrival and departure”*. It is her belief, *“that people respond better to low-level monitoring than rigid monitoring”*.
- There is a view that flexible working is easier to implement in a small company. The MD of this company emphasises that *“you do need to be sure that the business needs are covered”*. *If you have a lot of staff, you need a more formal system than we need for covering our business needs.”*

FLEXITIME IN MAXWELL MACLAURIN SOLICITORS

Company Background

Maxwell MacLaurin is a long established firm of solicitors based in the city centre of Glasgow. Its 20 or so employees are considered very important to the firm according to the managing partner. Though there is *“quite a distinction between qualified staff and support staff,”* as a court solicitor states, *“there is a good relationship”* between the two groups. A secretary in the court department testifies that the firm are *“fair employers who treat their staff as being important.”* Valuing people is reflected in the firm having the Investors in People award. However, human resource policies and procedures are usually informal beyond contracts of employment. Recently, though flexitime has been introduced on a more formal basis.

Flexible Working Practices

There is a clear difference between the working patterns of qualified staff - the solicitors – and those of the support, office staff. In keeping with the widespread practice and culture of the legal profession, solicitors work long hours so are afforded individual flexibility around ensuring consistent performance. Ever rising client expectations of solicitor availability reinforce the hours of work. Within the requirements of maintaining set levels of chargeable hours, solicitors feel the firm’s partners support flexibility in hours when emergencies present themselves.

The support staff work very specific hours and punctuality is seen as important to the business operation. To accommodate family commitments, four office staff work part time hours. These hours are moulded around the mutual needs of the firm and individual employees. In recent months, a formal system of flexitime has gradually been introduced to enable the support staff to start work up to an hour earlier than their normal time. Such a system is uncommon in small legal practices. The flexitime system means staff can build up hours - in a sort of banking system - to take a day off per month. This way of working has its roots in the support staff themselves requesting it at a staff annual meeting in 2003. The initiative is currently being recorded and monitored by the staff. More formal monitoring will be implemented in time.

Effects of Flexitime

The managing partner is of the strong opinion that flexitime helps the firm’s office staff in achieving a work-life balance. He believes it *“gives them freedom to organise and control their work better, within reason.”* As a result they are *“more cheerful”* and *“in an intangible way the business benefits.”* Also, it encourages a low staff turnover. There are *“no business costs worth talking about.”* From the court secretary’s point of view, her flexible working arrangements that comprise part time work and, more recently, flexitime allow her to fit work and home responsibilities. With two young children, these flexible working practices are *“a very big help...they’ve solved the school run problem.”* Further, she recognises a business benefit in the flexitime system whereby staff can work more

hours if the firm is busy. From the solicitor's perspective, the flexitime is virtually unnoticeable, so smoothly does the firm continue to run.

Learning points

- Staff are valued in the firm. They feel able to make requests on their working hours.
- The firm listens to requests.
- Flexitime can be monitored by the people working with the system.
- Flexible working may not bring great business benefits but it allows staff to be happier at work.

WORKING FROM HOME, FLEXI TIME AND TIME OFF IN LIEU AT KELTON

Background

Kelton Engineering is a business based in Aberdeen, providing independent flow measurement consultancy. They offer consultancy on areas such as engineering study services, metering management, auditing, training, support, documentation, software, allocation and uncertainty plus. The business was established in 1991 by the current managing director and current turnover is greater than £750,000 per annum. The business is a predominately male dominated small business with 25 employees. Hours of operation are between 8:30am and 5pm Monday to Friday.

The business stresses the paramount importance of people as the company is committed to providing a consultancy service to its clients. Staff are a fundamental resource and as such HR and personnel issues are emphasized. The business is all about the staff employed, and their knowledge of the industry. The company has IiP recognition but due to its size, has no specific HR/personnel department/function. HR issues are maintained by management level staff and ultimately the MD.

Communication is important and as such the business has moved to electronic communication channels. There is a company intranet site where formalized company policies are located and updated, for all staff to access. There are regular newsletters sent out and staff rely primarily on email communication. Staff have asynchronous access to the company's server when located out with the office.

Flexible Working Practices

There are several different approaches to working at Kelton. The work patterns are varied across the business. Staff can work a standard 8:30 – 5pm hour if they wish. There is also the opportunity to work flexi time, to work from home and to have time off in lieu. These arrangements are not formalized but are used as and when necessary to cater for both business and employee needs. It has been described as a two way process “... *a give and take relationship both ways... if staff work for me over their weekend then I give them the time back at a later date*” [MD]. Both genders benefit equally. A male employee indicated that “...*the flexibility issue helps with balancing work and home life*”.. Flexi time has helped staff with not only family commitment issues but with general maintenance of their day to day lives. Both male and female employees reported that they cut out the busy traffic as they can start a little earlier. In the words of the male employee, “*Well I live about 30 miles out of Aberdeen and because I work flexi time, I can miss a lot of the traffic... I am immediately mentally better as I have not had to sit in jams prior to getting to work*”... There are no real issues to implementing different working patterns for staff as long as there is a strong trust and respect relationship from both parties involved. The MD stated that “... *flexible working is workable, but you must have this trust and respect from all parties involved otherwise they may not be*”. The maintenance of these working patterns hinges on trust. Staff feel comfortable that if needed, they can

ask for time off or a change to their working day *“I wouldn’t have any concerns about this [asking to work different hours], as I believe the company would do all it could to accommodate the staff if they needed this” [female employee]*. The MD confirmed that in the early days of his business he did not strive for WLB. *“Nowadays it means a lot more to me personally and I try not to work weekends any longer if at all possible” [MD]*.. There was indication that in order for these working patterns to be workable, all staff must be treated equally and fairly.

Although these working patterns are monitored via time sheets and movement sheets, there was realization that perhaps, this is workable and easy to manage because the company is small. Again however trust is important as echoed by a male employee *“The whole process works on trust so I suppose there may be major business costs if the trust aspect is not there from both sides...”*. Caution was urged by the MD that monitoring should not become too regimented otherwise the trust relationship could be lost. He spoke about mechanisms incorporated into day to day employee relations, such as performance appraisal, as a way of monitoring work patterns without disruption to the psychological contract.

Cost and Benefits of FWPs

Business needs and employee needs were said to be inextricably linked at Kelton. A range of benefits from flexible working, for both staff and the business were noted. Flexible working was said to assist primarily with balancing work and family issues. It was considered that this leads to employee satisfaction and contentment, ultimately resulting in enhanced motivation and commitment to the job, and in general to a happier workforce. Loyalty of staff was another benefit of flexible working *“...a certain amount of loyalty comes with this and people feel better about their work” [male employee]*. Employees gave examples of how their working patterns allow them to miss rush hour traffic which allows them not to have to, *“sit in traffic with your blood boiling before you even get into work”*. Noted business benefits were increased productivity, customer and client service levels and improved retention and attraction of staff.

Few costs were mentioned. The MD felt that there were no adverse business or staff costs with the implementation of varied working patterns; *“I haven’t seen any [costs for business], for my own business”*... It was suggested that there could be a logistical issue if all staff start early and finish early, and this indicates the need for careful management of the whole process.

The Way Ahead

The general consensus in Kelton was that there are no prescriptive rules on working patterns which fit all types of businesses, but rather, as was indicated by the MD *“... it seems to be horses for courses”*. More emphasis here in the future is likely to be on home working and flexi time and with these come *“...differing issues which must be managed appropriately and effectively” [MD]*.

Learning Points

- Effective two way communication, trust and respect between employers and employees is fundamental if FWPs are to work effectively
- Perceived fairness and equity in the management of people is essential
- A strong link between business needs and employee needs exist, which can be bridged by the effective management of FWPs
- Businesses have to move with societal changes in work patterns otherwise their growth may be stunted.

FLEXI TIME AND SHIFT WORKING AT GOLFCO

Background

An East Lothian members / non members golf club, established in 1867. The club consists of general management, green keepers, bar and catering staff, committee members and golf professionals. It is a small sized business (15 employees), with annual turnover of less than £750,000. Finance is generated from members of and visitors to, the golf club. The business operates 7 days a week and begins operation at 7am. The hours of business can be seasonal in nature.

There is an ethos which emphasises staff communication. Management operates an open-door approach and endeavours to empower staff. There are good support structures in place and a belief in and respect for all staff regardless of their position. HR / personnel are fundamental resources and people are encouraged to resolve issues amongst themselves, including agreeing which hours they work together. Staff are valued both as a group and as individuals. Formal and informal meetings take place on a regular basis, with a two way process emphasized, and overall, the company prides itself on taking a proactive approach to employment issues.

Flexible Working Practices

At this golf club, the working patterns in use were full time hours, part time hours, flexitime, shift working, time off in lieu and compassionate leave. Overall, the work offers flexibility of hours for staff, in line with assisting better work life balance. As one male employee said, *"I have a job to do but I have my own life to think about too and flexibility helps me manage my time and home life better"*.. The main premise is that as long as the work gets done, to the best of an employee's ability, then there are no issues or problems with how the end result is produced. In the words of the general manager, *"If people can work as productively as they can with the least amount of input and problem, then so much the better"*... Everyone works flexibly although there are set shifts in different areas of the business, such as the bar. In this area, people are asked what hours they would like to do, which enables them to balance work, personal and family requirements. It is entirely up to the staff to decide who does what and when, and as long as the hours are covered and the staff are contented then there are no major issues. The staff manage this through open communication and teamwork; and through having trust and respect for one another and for the business. Staff can also swap shifts with one another. The course manager indicated that he and his staff can do extra hours one day and substitute these for time another day, as long as the business does not suffer. He told of an example whereby he works extra hours during the week, so he can have a half day off work on a Friday to look after his children, *"...the nature of the job allows me to do this with minimal disruption to the business"*.

It is generally agreed that all staff must be on board with this culture and ethos of working otherwise it may not work effectively. Simple, yet effective methods of control and monitoring of working are in place for both business and employee benefits. The bar area has a book with each page dedicated to an employee. The employee completes the hours he/she has worked and this information is collated and input onto a spreadsheet for pay purposes. The course manager keeps a written record of working hours, which helps with reports he has to prepare for the committee and also if there are issues with incorrect salary payments.

Cost and Benefits of FWPs

A range of benefits for both business and employees were noted. There appears to be a link with improved recruitment and retention. For example, when interviewing for a bar staff member, flexibility of hours was mentioned. The interviewee was extremely pleased that this had been offered, “...*I mentioned flexibility and she was pleased that we offered this, as it would help her out with other responsibilities she had*”... There is an overarching view that if employees were to leave the golf club, they would consider taking a job over another due to FWPs, but it would be dependent on their own personal situations/circumstances at the specific time in their life. Other noted benefits were increased motivation and loyalty of staff and as a result, a general improvement in attitude. Staff are perceived to be more relaxed and confident, which ultimately has a knock on effect upon customer service levels and production. In general a happier and more contented workforce is evident when staff’s working patterns are flexible. It was agreed that work loads thus become more manageable and an example for the general manager illustrates this point, “...*I am working less overtime now since we employed a part time 25 hours secretary*”. Very little sick time is lost at this golf club and staff can do more to help their families and cater for extra curricular activities. Males and females benefit equally from these benefits.

Some costs were noted. The bar manager did indicate that “...*it is sometimes nice to know what hours you are doing all the time!*”. The course manager also said that he takes more work home to do, but that is a manifestation of the nature of his job and he must learn how to manage this better himself. Costs were reported only if communication between parties involved breaks down. Having employees working different patterns is workable only if there is trust and respect from all sides. Therefore if the trust and honesty culture is not apparent then some employees may take advantage of these working patterns.

The Way Ahead

The general manager indicated that businesses just have to take “...*a leap of faith*”, when deciding whether to implement FWPs. He advised that ideas come from all sides of the coin and managers have to be open to staff requests and ideas. The issue in management is a balancing act: product, service; price; quality; staff and employees. Which comes first as they are all important? He advised “*Necessity is the mother of all invention*” indicating the need for forward thinking with regards to working patterns. It was stressed that

different working patterns are perhaps manageable due to the small size of employee numbers at the golf club and the type of business carried out. All staff must want the same thing.

Learning Points

- Businesses may have to take “...*a leap of faith*”, in implementing FWP's though substantial benefits can be gained with minimal problems.
- It is important for managers to be open to staff requests and ideas about working practices
- Communication, openness, trust and respect are important in establishing a climate where staff feel comfortable being able to talk about issues they may have at home which can impact upon their work and vice versa.

FLEXI TIME AND STAGGERED HOURS AT LANGSTANE

Background

Langstane is Scotland's leading independent office consumables, furniture and print supplier. The business was established in 1947, and is still family owned. There are two bases: headquarters in Aberdeen and a further outlet in Dundee. The company has over 120 employees and annual turnover is approximately £15 million.

The company has IiP accreditation. The philosophy at Langstane is to embrace a commitment to training and development and looking forward to the bottom-line benefits that improved people performance can deliver. There is an evident focus on the need to enhance, support and develop staff. Inherent is the understanding for the need for work and life to be balanced, and for the company to be flexible in response to customers and staff. Both management and staff agree that a unique aspect of competition is the people involved in the holistic process. HR and personnel issues are dealt with by a dedicated HR specialist, and there is strong consideration of the employer's need to be aware of and to accommodate employee needs. Various mechanisms of support and communication channels are in place, such as company handbook, notice boards, electronic boards, newsletters. On the whole the company is people focused, perhaps demonstrated by the number of long service members of staff.

Flexible Working Practices

Staff work numerous flexible working patterns at Langstane, from flexi time to part time to staggered hours. The MD acknowledged that FWP allow variations in work for individuals within departments, but flexibility as such is primarily customer driven. Staff acknowledge that if hours have to be changed to suit children and other commitments out-with work, the decision is made dependent upon each individual's circumstances and requests "*On the whole we cannot really justify refusal especially with a diverse workforce [HR Manager]*". She also stated "*... everyone has a right to ask for changes in their work patterns and as a company we do all we can to accommodate*". However there was general acknowledgement of the importance of business requirements. Key external drivers are TUs and legislation, and the HR manager commented "*...unless businesses are flexible, legislation will end up having to force their hands*". A male employee confirmed that he usually works 8:30am – 5pm but if he reduces his lunch hour, he can get away earlier to pick up his children and miss the rush hour traffic. A female employee indicated that flexibility helped her return to work after the birth of her first child "*...when I had my first child, I worked 10am – 2pm and then gradually increased my hours...*" A culture of open communication was highlighted, which allows staff to feel comfortable about asking to make changes to their work patterns. Staff and management have considered other forms of flexible working such as introducing a "*nine day fortnight*" [HR Manager].

Current working is not explicitly monitored except for a clock in and out process for payment purposes. It was highlighted that lack of dedicated resources or lack of

communication could be problems when introducing methods of monitoring flexible working..

Benefits and Cost of FWPs

Attraction, selection and attrition benefits were mentioned here. Business and employee benefits were both recognised, *“Staff are happier, enjoy work and want to come to work, holding a healthier mind set...[MD]”*. In addition as the HR Manager indicated: *“technology assures that people can always be contactable if required, which helps with customer service”*. Other benefits mentioned include reduced absenteeism and stress, increased loyalty, motivation and peace of mind. Staff can obtain more time for themselves, such as attending the dentist, the doctor, the gym etc. As confirmed by a female employee *“...more mothers can come back to work”*.

Costs associated with flexible working include maintaining high customer service levels, and increased administration time. However, as noted by one male employee, *“There may be possible administration headaches, but this will be less stressful than having the ‘no bums on seats problem’!”* In the words of the MD, *“The benefits of flexible working can certainly outweigh the costs”*.

The Way Ahead

The HR Manager advised that in the future, businesses should encourage areas of comparison and identify specific departments or models of good practice to help show and promote what works well.. She also indicated that a short trial period may be useful, which would allow managers to monitor, evaluate and change their processes if necessary. It was emphasised that departments in Langstane have learned to be more flexible and the results have been beneficial for all involved.

Learning Points

- Achieving a “win-win” situation, where the balance between staff and business needs can be achieved through flexibility in thinking and in approach.
- Mutual trust, respect and communication are fundamental, *“If you can marry both business and staff needs, then you can reap fruitful benefits and very few costs, which all assists with helping the growth of your business [MD]”*.
- Each individual staff member’s needs should be explored individually and accommodated if possible. There is a great need for listening to staff with interest and working together to reach common ground.
- An understanding that what works for one business, may not work for another. Instead the recipe for success is likely to be dependent on the type and nature of each business.
- A trial period is a useful means of assessing the appropriateness for all parties of changes in working practices

WORKING FROM HOME IN OREGON TIMBER FRAME LTD

Company Background

Oregon Timber Frame Ltd is located in Jedburgh. The company designs timber frames for various residential structures. It also manufactures and then erects them. The main customer base is comprised of publicly quoted companies which are house builders, and the work is nationwide. Under the leadership of the Managing Director, the company has grown from 11 employees in 1998 to about 57 people currently; and has increased its turnover to around £12.5 million.

Flexible Working Practices

The MD believes that people are the number one asset of a company, and believes it is important to be flexible with them. He is also clear that another key factor is being able to be responsive to customer demand. He has therefore been proactive in being the only employer in the industry to offer his production workers an adaptation of annualised hours in the form of salary rather than an hourly rate. In addition there is a range of flexible working practices including part time working, working from home, time off in lieu, and shift swapping.

There are a total of 4 employees who are currently working from home. The Commercial Manager at Oregon is one of them, and he has been in this job since 1999. He is responsible for the financial reporting on a monthly basis, of Oregon Contract Management. He was originally based in the Jedburgh plant, but as the company grew, the sites which he required to visit became further afield. He therefore found he was spending more and more time travelling, and it was decided that he would work from his home for 3 days per week, and from the office in Jedburgh for only 2 days per week.

The Commercial Director considers that he can probably get as much done at home as he does in the office, though he "*likes the camaraderie*" when he is with colleagues in Jedburgh. He believes that there are no drawbacks to this working pattern other than the need to ensure that he has all the necessary files with him, and this may become easier as more and more of these are computerised. He believes that with this way of working he has "*the best of both worlds*" – work and home – though he likes to be in the office regularly to keep his finger on the pulse of the company.

The process for staff at Oregon who might wish to work on more flexible working patterns, would be for them to speak to their line manager in the first instance.

Costs and Benefits

The view at Oregon Timber is that there are several benefits to be gained from selected employees working from home. Stress on the individual is reduced because of more modest travel demands, and they have greater leisure time. There are no perceived disadvantages to the company, assuming the individual can be trusted to do the work

required. Where there is an agreed set of outputs eg monthly accounts, it is clear that key elements of the job are being fulfilled.

The Way Ahead

The MD believes that the company must continue to be flexible to continue to flourish. He highlights that they would “*certainly be prepared to look*” at any proposals from employees for flexible working.

Learning Points

- Companies in traditional sectors such as construction, will benefit from breaking with some of their historical practices, and focus on the needs of both their customers and their staff.

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