



## Guide to flexible working schemes

Currently, the only employees who have any legal rights with regard to flexible working are those with young or disabled children – however, employers are increasingly offering more flexible working practices in order to recruit and retain employees, and to enable a better "work life" balance. This overview considers the reasons such schemes are becoming more common, and offers some practical tips for employers when considering giving employees more flexibility in their working patterns.

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### **The statutory right to request flexible working**

The right of parents of a child aged under 6 (or a disabled child under 18) to request flexible working are outlined in full in our legal overview.

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### **Background to the work–life balance debate**

The debate over how employees manage to balance their working and home lives is not just concerned with parents – other employees also have caring duties. One in six people aged 16 or over care for a sick, disabled or elderly person – 6.8 million carers in the UK – and this is expected to increase to 22% within the next five years. Other employees may have other commitments, or interests whereby the ability to work more flexibly would increase their job satisfaction and loyalty. Whilst the legislation currently applies only to parents of young or disabled children, the government is now actively considering whether to extend this to parents of older children, or those with caring responsibilities for sick, elderly or disabled relatives. Many employers (nearly three out of four) have already done this and are reporting real benefits. A survey showed that 83% of employees supported this extension.

The old 9–5 working pattern is becoming less common. The Office of National Statistics, which looks at changes in working patterns says that patterns of work are changing and there may no longer be a standard model. Only 9% of adults are in a relationship whereby the man is the sole breadwinner in the family.

There is also a significant rise in the number of men working part–time. And the government is trying to enable men to take a more active role in family life and is also considering changes to maternity leave to allow the father to take the second six months of their partner's maternity leave if desired.

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### **The extent of flexible schemes**

96% of private sector employers operate at least one flexible working policy and a survey by ACAS and the DTI reports that the number of employers offering flexible working has almost doubled in the last 6 years. They looked at various different types of flexible working and reported the percentage of employers now offering this as follows:

- homeworking – 28%
- term time working – 28%
- flexitime – 26%
- job sharing – 41%
- switching from full –time to part time working – 64%

Examples of large companies which report significant successes as a result of their flexible working policies include British Telecom (who report productivity gains of £10M a year, recruitment and sickness absence savings of over £7M a year and accommodation savings of over £40m; the RAC who report productivity increases of 8% for flexible hours, and HSBC who report a 300% increase in women returning to work after maternity leave.

More flexible ways of working can include part-time working (part-time work and coming in late/leaving early are the most frequently requested forms of flexible work) but may be broader than this – including job sharing, home working, term-time only contracts, compressed hours, flexitime systems, the ability to take unpaid leave at short notice, time off during working hours to deal with emergencies or take someone to a hospital appointment etc. What is necessary to meet individual needs can vary tremendously – it may just be a simple requirement for more flexibility on starting/leaving times provided that the work is done, or some unpaid leave in order to cope with childcare responsibilities.

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### **The advantages of such schemes**

The advantages of taking a more flexible approach are as follows:

- enhanced job satisfaction – 40% of SMEs believe the main benefit of flexible working is increased staff satisfaction.
- increased productivity – statistics prove that a happy workforce is more productive.
- better utilisation of workers – these arrangements are not always just one-sided – flexibility can work both ways with work being done to meet the demands of the job, and time off being taken in quiet periods.
- less stressed workforce – workers can accommodate either family commitments or other outside activities and therefore feel less stress, as they are not so torn between conflicting demands. 68% of employers surveyed by the CIPD reported that the opportunity to work flexibly has had a positive effect on employee attitudes and morale.
- financial gain to employees. In some cases, the employees can benefit from reduced costs – of childcare, or domiciliary care and this is therefore an attractive benefit which costs the employer nothing but is very valuable to the employee.
- reduced turnover – people can fit demands of home life within their working lives and are also noticeably more committed to staying with an employer who facilitates this.
- wider pool for recruitment – flexible working is an overwhelming major attraction – proving even more of a pull than money. In addition, flexible schemes can attract a wider range of candidates who otherwise would be barred from applying (because of other commitments).
- better timekeeping – if people can fit their working time around outside commitments (eg the school run, rush hour traffic) their ability to arrive "on time" may be enhanced, and the business will benefit from their presence, rather than having to manage their absences.
- lower costs – in some organisations, the introduction of some form of flexitime system has actually decreased costs – time which was previously spent attending appointments, taking long lunch hours, etc is now taken in the employee's own time and is no longer working time. In addition, by having a "bank" of worked hours, this can reduce overtime payments – overtime is worked to meet the demands of the job but may not be automatically paid until, for example, the end of each quarter, and it may be that the employee prefers to take the time in lieu.
- reduced casual absenteeism – in some environments employees take time off sick when they are not actually ill – in order to look after children, deal with personal or family emergencies, catch up

on domestic issues etc. If employees can take this time off legitimately, they may well do so instead of "pulling a sickie". Two thirds of the organisations who offered flexible working believed that this helped reduce absence, as do flexible annual leave and occasional home working.

- accommodation savings: in addition there can be savings as a result of accommodation – BT claim that improving desk utilisation by replacing the conventional one–desk–per–employee arrangement with fewer "hot desks" can save £16,000 per year per employee who works at home.
- loyalty – because the employer has attempted to meet the employee's needs, greater loyalty is usually assured.
- lower travelling costs – for those who work at home some or all of the time, or who can travel outside of the rush hour periods.
- retention of experience: older employees with particular experience may be happy to work beyond retirement age but not on a full–time basis (from 2006 there will be a relaxation of Inland Revenue rules which currently prevent employees from drawing their occupational pension while working for the same employer)

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### **Pitfalls to avoid**

Most schemes are extremely successful – but this depends on careful planning, and agreement before implementation. Issues to consider include client requirements; the need to have sufficient cover during opening hours and breaks; problems of fairness – if some departments can accommodate certain patterns and others can't; the timing of routine meetings so that people aren't excluded; ensuring that there is sufficient resource to meet business requirements. Also if you are recruiting job–share partners, do ensure that they not only respect each other, but that their working methods are compatible.

Organisational culture is seen as the biggest barrier to successful integration of work and family life. Even where you have clear policies in place, employees can be reluctant to take them up if they run counter to a dominant long–hours culture (and research shows that their response is more frequently to leave and go elsewhere rather than to raise the issue) – so consider your business culture and take steps to ensure that work–life balance issues are seen to be more acceptable, let senior managers work flexibly (as a good example), promote the policy, discourage activities and practices which make flexible arrangements harder to uphold and ensure that role models are visible.

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### **How to introduce a scheme**

As ever, the main factor to bear in mind when introducing any sort of change is consultation – ensure that what you are considering will be valued and is workable – also consider having a trial period or extending your plan to a pilot group first.

- employee survey – find out what your employees would appreciate and value. If you impose the solution from above, the project may have the opposite effect to the one intended – flexible working is a cultural shift for many organisations, showing greater trust in the employee. You may be considering lessening the extent of supervision, and aiming to give your employees the ability to manage their own lives better – so don't impose a ready made solution for them. Also – if you don't check, you may end up offering flexibility which is not really valued but causes you considerable difficulties in implementing – so consider what is of value to the individual and the business. Remember that it is personal flexibility that accommodates personal needs that will build a strong, loyal workforce.
- manage expectations – don't make out that you will consider anything, if in reality, your ability to offer flexibility is extremely limited because of production requirements etc. Only ask for comments on the areas in which you may take action. And make it clear to employees that you value their

views but obviously can only accommodate changes which will benefit the business (even if indirectly) as well as the individual. Feed back the results of your research to your workers – including a timescale which you will then stick to to evaluate suggestions and make decisions.

- bear in mind the cultural shift – are your managers concerned about how they will monitor performance if the rules are less rigid and they're not actually present at all times to oversee? You may find that you are moving away from an attendance based culture to a results culture – and this will need managing.
  - talk to managers and find out what is really required in terms of on-site cover. In particular, IT support staff, administrative and reception staff tend to be areas where the degree of individual flexibility may be limited. Analyse the jobs to find out what is actually necessary. Consider the impact on colleagues of any individual changes.
  - consider competitors – what are they doing? What problems have they had? What benefits have they gained?
  - consider the impact on clients and suppliers – many managers are worried about the thought of the employees not being there at core times in case a client rings. But provided there is sufficient cover to what extent does this really matter? And it may be easier to provide a better service to clients – ie you retain valued staff even if during shorter hours, or staggered working hours may actually mean that you can offer wider access opportunities to clients.
  - consider health and safety implications – longer opening hours in the office, people working alone, security provisions, home assessments for home workers etc.
  - consider routine meetings and timings etc to ensure that all workers can be present together when necessary and that workers remain well informed and involved.
  - if considering home-working – decide on what level of staff, how much work may be done at home, with whose permission and bear in mind health and safety considerations etc. Also look at the technology required to enable this. And if you intend to spread the scope of home-working widely (rather than just allowing this on an occasional basis to meet deadlines, complete confidential projects or reports etc) then consider your working practices – are files accessible, do you have sufficient data security etc.
  - discuss what may be a reasonable compromise.
  - change contracts – ensure that you have the right to return to previous working practices if the new schemes don't work satisfactorily.
  - decide how you will monitor the effectiveness of the scheme and consider having a trial period. Is productivity up? Is turnover down? Are your employees happier?
  - then feed back your decision to your employees, and agree a suitable start date, but make sure that there is an open door to discuss and resolve any problems which arise as you go.
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## Legal considerations

Just a few related legal points to bear in mind:

- Women who are refused flexible work could bring a sex discrimination claim so take care and consider any requests fully.
  - A disability claim can be made if any employer fails to make a reasonable adjustment by refusing a request for flexible work from a disabled employee.
  - Workers with particular religious or other beliefs may claim discrimination if an employer refuses a reasonable request for flexible work in order to permit religious observance.
  - Part-timers must not receive less favourable treatment than full-timers.
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