

The background of the cover is a soft-focus photograph of several colorful spinning tops. A prominent green one is in the foreground on the left, while a pink one is visible on the right. The tops are in motion, creating a sense of dynamic energy.

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**EMPLOYMENT RELATIONS
RESEARCH SERIES NO. 22**

The Second Work-Life
Balance Study: Results
from the Employers' Survey –
Executive Summary

NATIONAL CENTRE FOR SOCIAL RESEARCH



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The Second Work-Life Balance Study: Results from the Employers' Survey – Executive Summary

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Executive Summary

The findings indicate strong support for work-life balance amongst employers and, although this has not always been matched in practice, provision has increased in the last three years.

The results also support the business case for the provision of work-life balance practices. Despite some concerns about staff shortages, the majority of employers that provided flexible working practices and leave arrangements found them to be cost effective, with a positive impact on labour turnover, motivation and commitment and employee relations.

Aims of the study

This report presents the findings of a major study of work-life balance among British employers with five or more employees. The Second Work-Life Balance Study (WLB2) employer survey was designed with two main aims in mind. Firstly, to measure the extent to which the key attributes of work-life balance from an employer's perspective have changed since the first work-life balance study in 2000 (WLB1). These attributes are:

- employer provision of work-life balance practices and policies;
- employee take-up of, and demand for, these initiatives; and
- the impact of employers' provisions (including costs and benefits).

Secondly, the study will establish a robust baseline for future evaluation, in terms of the provisions brought in under the Employment Act 2002; in particular the right for parents of children under six and parents of disabled children under 18 to apply to work flexibly, and the duty of their employers to seriously consider their requests, as well as the introduction of paternity and adoption leave and pay.

The key findings from the WLB2 employer survey are outlined below.

Attitudes to work-life balance

- There was a high level of support for work-life balance amongst employers. The majority agreed that everyone should be able to balance their work and home lives in the way they want (65 per cent).
- More than nine in ten employers (94 per cent) were of the view that people work best when they can strike a better balance between work and the rest of their lives. Almost two-fifths (39 per cent) of employers strongly agreed with this statement; this represented a substantial increase from the WLB1 study (31 per cent).
- Less than a third (29 per cent) of employers considered that they bore no responsibility towards helping people to balance their work and other aspects of their lives. Around one sixth (17 per cent) of employers strongly agreed that business considerations should come before employees' wishes to change their pattern of working.
- The majority of employers agreed that trying to accommodate employees with their different patterns of work was not easy (65 per cent).
- Three-quarters (74 per cent) of employers agreed that people who work flexibly are just as likely to be promoted as those that do not, while 15 per cent neither agreed nor disagreed or did not know.
- Around two-fifths (42 per cent) of employers considered that work-life balance policies were unfair on some employees.
- Generally speaking, support for the basic principles and concepts of work-life balance was supported by actions – employers that indicated the strongest levels of support tended to provide a wider range of practices and entitlements that helped their employees with their work-life balance.

Awareness of statutory leave entitlements and new working parent legislation

Statutory leave entitlements

- In general there was a high level of awareness amongst employers regarding existing regulations on both parental leave and time off taken by an employee at short notice in order to deal with an emergency involving a dependant. More than a half of all employers (58 per cent) were aware of parental leave, and around three-quarters (74 per cent) were aware of time off for dependants. Employers were less aware of the more detailed aspects of the legislation on parental leave, including its provision to cover parents of adopted children (47 per cent) and parents with disabled children (49 per cent).

New working parent legislation

- Awareness amongst employers of the new regulations that came into force on 6 April 2003 was also high. With the exception of the right to leave and pay for adopters (47 per cent were aware of this), over half of employers were aware of each of these new regulations. Over two-thirds (71 per cent) were aware of an employee's right to request to work flexibly. Two thirds (67 per cent) were aware that all women would be entitled to 26 weeks ordinary maternity leave regardless of their length of service and three-fifths (61 per cent) were aware of the right to a further 26 weeks additional leave for women that had worked for the same employer for at least one year. Half (52 per cent) of employers were aware of new legislation regarding paternity leave and pay.
- Overall, nearly 90 per cent of employers were aware of at least one of the new regulations (86 per cent), while a third (33 per cent) were aware of all five aspects of the new legislation.
- Awareness of the new regulations was higher in larger workplaces, in those that were part of a larger organisation, those in the public sector and those with a trade union presence. It was also higher in workplaces with a dedicated personnel or human resource department, compared with those without (79 per cent were aware of all five new regulations, compared with 21 per cent in workplaces with no personnel function).

Requests for flexible working

Employees wanting to change how they work for a sustained period of time

- Less than a fifth (17 per cent) of employers had received a request in the previous year from an employee to change how they regularly worked for a sustained period of time, and almost all of them (98 per cent) reported that their managers would be expected to give consideration to such requests. In addition, amongst those employers who had not received such a request, there still remained a high proportion reporting that managers would consider these requests (87 per cent).
- The main reasons given by employers as to why employees had made a request to work flexibly were circumstances where an employee needed to look after their children or needed to care for someone other than a dependent child.
- The factors taken into consideration by employers when deciding whether to accept a request to work flexibly tended to be related to business demands. The impact on the business was the most often cited factor, along with the availability of cover.

Requests to change from full-time to part-time working

- A quarter of workplaces (24 per cent) had a request from at least one employee to change from full-time to part-time working in the 12 months prior to the survey.
- Almost all (98 per cent) of the workplaces that had received a request in the last 12 months from an employee to change from full-time to part-time working said that managers would be expected to give consideration to such requests. Even when no request had been made by an employee, the vast majority of employers said that managers would give a request due consideration (85 per cent).
- The main reasons given by employers as to why employees had made a request to change to part-time working were women returning from maternity leave and when an employee needed to look after their children.

Women returning from maternity leave wanting to change from full-time to part-time working

- A majority of employers (60 per cent) said that changing from full-time to part-time working would be acceptable in all or nearly all cases for women returning from maternity leave.
- In those workplaces where such a change was possible, two thirds (65 per cent) reported that when making such a change the employee could keep their existing job and level of seniority.

Employees wanting to change from full-time to part-time working, excluding those returning from maternity leave

- Employers were less likely to accept requests in all or nearly all cases to change from full-time to part-time hours made by employees who were not returning from maternity leave. Just under two-fifths (38 per cent) of employers said that this type of request would be acceptable.
- It was more common for the response to this type of request to be dependent upon the particular circumstances surrounding the request or upon the individual position of the employee.
- Around half (48 per cent) of the employers that found this change either acceptable or that said the change would be conditional, agreed that the employee could keep their existing job and their level of seniority.
- One-in-ten (nine per cent) employers stated that this type of request was unlikely to be accepted.

Leave arrangements and work-life balance practices: provision and eligibility

Flexible working hours

- Over two-thirds (67 per cent) of employers, covering 72 per cent of employees, reported that employees were allowed to vary their working hours, such as working through their lunch breaks or leaving early. This represents an increase from the WLB1 study (62 per cent).
- This informal arrangement was particularly apparent in small independent workplaces with fewer than 50 employees (75 per cent). It was also more commonly found in the private sector compared with the public sector (69 per cent and 59 per cent respectively).

Flexible working time arrangements

- Around four-fifths (81 per cent) of employers provided at least one of the following seven flexible working time arrangements: part-time working, job sharing, flexitime, annualised hours, term-time working, compressed working weeks and reduced hours working.
- Aside from part-time working (74 per cent), the provision of flexible working time arrangements was not widespread, with less than one-in-four employers providing any one of the six other arrangements listed above. Flexible working time arrangements were often provided in combination. Just over two-fifths (44 per cent) of workplaces made available two or more of these practices, while a small minority (nine per cent) had four or more of these.
- Comparisons with a number of other studies suggested that there had been an increase in the provision of flexible working time arrangements. The increase appeared to have occurred across all workplaces, rather than being confined to workplaces of a particular size or to workplaces in a particular sector or industry.
- Having flexible working time arrangements formalised in written documents was not widespread with between a quarter and a half of the workplaces which provided the practices and where they had been taken up in the last 12 months having a written policy for any one of the seven practices. They were most likely to have a written policy covering annualised working (56 per cent) and least likely to have one covering compressed hours or reduced hours working (29 and 30 per cent respectively). There was some evidence to suggest that employee take-up of flexible working was higher in workplaces that formalised their arrangements in this way.

- Under half of the workplaces that had flexible working time practices restricted their use to just some employees. Annualised hours working was the most likely practice to be restricted with just under half (49 per cent) of all workplaces that provided this practice doing so, while reduced hours working for a limited period of time was the least likely to be restricted (17 per cent). Managerial employees were the most likely employees to be excluded from any arrangement.

Homeworking

- Homeworking was provided by more than one-fifth of workplaces (22 per cent) and, of these, just over two-thirds (68 per cent), or 15 per cent of all workplaces, reported that homeworking was available and had been used in the last 12 months.
- Provision of homeworking was greater in larger workplaces. Workplaces with 500 or more employees were over five times more likely to provide this practice than those with fewer than 10 employees (50 per cent compared with nine per cent respectively). It was also significantly higher in the Real Estate, Renting and Business Activities industry (32 per cent).
- Most employers (71 per cent) restricted the employees that could use homeworking and it was usually a specific occupation or group of occupations that were restricted. This was mainly for practical operational purposes rather than being based on other grounds.

Maternity rights

- Around two-thirds (68 per cent) of employers already provided maternity rights beyond the statutory minimum. Three-fifths (59 per cent) had provisions for women to return to their job beyond 29 weeks. Around a quarter (27 per cent) of employers offered maternity leave which exceeded the 18-week statutory minimum, regardless of length of service. More than one-fifth (22 per cent) of employers provided women with more maternity pay than was required by law.

Paternity leave

- Just over a third (35 per cent) of workplaces had a written policy giving employees an entitlement to a specific period of paternity leave. This was a substantial increase from the Department of Trade and Industry Survey of Employers' Support for Working Parents (2000), which indicated that 18 per cent had such a policy. A further quarter (27 per cent) of employers had discretionary arrangements.

- In those workplaces where there was a written policy, the median number of days provided for paternity leave was five. In workplaces where there were no formal arrangements, the median number of days usually taken for paternity leave was seven.
- In over two-thirds (69 per cent) of workplaces where either there was a formal policy on paternity leave or fathers were allowed discretionary time off, this leave was fully paid.
- Overall, a third of workplaces (30 per cent) provided fully paid paternity leave of five days or more.
- One-in-five (22 per cent) workplaces had at least one male employee who had taken paternity leave in the 12 months prior to the interview.

Parental leave

- In around one-in-ten (11 per cent) workplaces, employers provided parents with parental leave entitlements that went beyond the statutory minimum. This represented an increase in comparison with the DTI Survey of Employers' Support for Working Parents, which stood at five per cent.
- A quarter of these employers (25 per cent or three per cent of all establishments) reported giving pay for all or some of this parental leave. The most commonly reported additional entitlement was the allowance of more flexibility over how the leave was taken.
- One-in-seven (14 per cent) workplaces had at least one employee who had taken parental leave in the 12 months prior to the interview.

Time off for dependants

- Two-fifths (39 per cent) of workplaces, covering half (50 per cent) of all employees, provided special paid leave to cover time off for dependants.
- In a large majority of workplaces where there was provision for special paid leave, this leave was fully paid. This translates into around three out of ten workplaces (28 per cent) providing special leave that was fully paid. The DTI Survey of Employers' Support for Working Parents estimated that just over a fifth (22 per cent) of employers had such an arrangement which was fully paid in 2000.

Childcare and other support facilities for working parents

- The provision of childcare or other support facilities for working parents by employers was not commonplace. Fewer than one-in-ten (eight per cent) employers provided such facilities or arrangements. Those that did covered around a quarter (25 per cent) of all employees in workplaces with five or more employees, which reflects the fact that provision was greater in larger workplaces.
- Support, when given, was most common in the form of on-site childcare facilities (36 per cent of workplaces which provided support facilities for working parents, or three per cent of all workplaces), financial assistance (31 per cent) or family-friendly working arrangements (27 per cent).
- A high proportion of employers reported a positive effect on their workplace performance from supporting working parents. Around three-quarters or more employers reported a positive effect on their employee relations (79 per cent), labour turnover (73 per cent) and employee motivation and commitment (72 per cent).
- A majority of employers (70 per cent) that did not already provide childcare or other support facilities for working parents indicated that they could be encouraged to provide support. Almost half (46 per cent) thought that some kind of financial incentive would be necessary.

Impact of work-life balance practices

- All employers were asked what they thought the benefits were from providing work-life balance practices. The overriding benefit reported was undoubtedly a 'happier workforce' with just over a quarter (29 per cent) giving this response.
- Other benefits included positive effects on the retention of staff (13 per cent) and higher levels of staff motivation (10 per cent).
- When asked about the disadvantages associated with the provision of work-life balance practices, the most common response was that there were no problems – almost a third of employers (28 per cent) reported this. However, others reported disadvantages which were most often to do with being short staffed (22 per cent).
- The majority of employers reported that work-life balance practices had a positive impact upon employee relations (71 per cent), employee commitment and motivation (69 per cent) and labour turnover (54 per cent).

- Nearly half stated that these work-life balance practices had a positive effect upon recruitment (47 per cent), absenteeism (48 per cent) and productivity (49 per cent).
- There was an association between the provision of specific flexible practices and leave arrangements (such as flexitime, job sharing and leave arrangements which went beyond the statutory minimum) and perceived financial performance. In terms of financial performance, almost two-fifths (39 per cent) of workplaces that had four or more of these flexible practices and leave arrangements, reported that it was better than that of other similar workplaces in the same industry. Workplaces with either one or none of these practices were significantly less likely to perceive financial performance to be above average relative to their competitors (30 per cent).
- Two-thirds (66 per cent) of employers who thought they provided some form of work-life balance practice(s) said they considered the practice(s) to have been cost effective.
- Just under a third (30 per cent) of workplaces reported having introduced some type of flexible working practice or leave arrangement in the past three years.
 - Where a new practice(s) had been introduced, a large majority of employers (76 per cent) said there had been no set-up costs.
 - Where there were set-up costs (24 per cent), most employers described their set-up costs as being minimal (36 per cent) or moderate (50 per cent). Few (seven per cent) said they were substantial.
- In just over one-in-ten workplaces (13 per cent), managers reported some ongoing costs resulting from the provision of flexible working practices and leave arrangements. A substantial majority of employers (71 per cent) said there were no ongoing costs while the remaining 16 per cent, in their opinion, did not provide any flexible working practices or leave arrangements beyond the statutory minimum.
 - Of those that reported any ongoing costs, just 14 per cent said they were substantial. The remainder was equally split between those that reported moderate (41 per cent) or minimal (40 per cent) costs. This translates into less than one-in-ten (seven per cent) of all workplaces (where managers thought there were some flexible working practices and leave arrangements) having reported substantial or moderate ongoing costs.

About the survey

- The WLB2 employer data is based on 1,509 interviews and the response rate was 60 per cent. The survey was carried out between December 2002 and April 2003 by the National Centre for Social Research on behalf of the Department of Trade and Industry. At the same time, a quantitative study was undertaken among employees (MORI, 2003).
- This programme of research represents a follow-up of an earlier study conducted in 2000, the results of which were published in the Department for Education and Employment Research Series, Research Report No. 249. The title of the report was: *Work-Life Balance 2000: Results from the Baseline Study*.
- Workplaces were randomly selected from the Inter-Departmental Business Register (IDBR) from employers in Great Britain with five or more employees at the workplace. The survey over sampled larger workplaces and certain industries. The figures reported in this summary are weighted to produce nationally representative estimates.
- The study was conducted over the telephone using Computer Assisted Telephone Interviewing (CATI). Interviews lasted an average of 35 minutes and were conducted with a manager at the workplace who had day-to-day responsibilities for personnel and employment relations issues.

