

Work-Life Balance

A more imaginative approach to working practices

Expert knowledge means success



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Note: This publication has not been updated since it was last published. Some of the hyperlinks may have changed and may need updating. In addition, some of the information in this publication may be out of date.

Introduction

The world of work is changing. It has become an increasingly important issue for workers everywhere to find a balance between the competing demands of work and personal life. The way we work today reflects the present and the future, not the past. Successful businesses depend on good people. They recognise that the ability and skills of the people who work for them are their most valuable resource. At the same time, everyone has a life outside of work. We may have children or other caring responsibilities or want time to pursue other interests. Finding ways to link individual employees' needs to business needs makes sense to both.

Work-life balance is about identifying a more imaginative approach to working practices, which will benefit the business and benefit the workforce. It is about adjusting working patterns, to allow employees to combine work with their other responsibilities.

Introducing appropriate employment practices to help employees achieve a better work-life balance brings tangible benefits to your business. Enabling employees to feel more in control of their working life can lead to increased productivity, lower absenteeism and a happier, less stressed workforce.

Demographic changes, including an ageing population and smaller family structures, will also increase the likelihood of your employees requesting flexible working arrangements if they haven't done so already. Adjusting working patterns gives your staff the flexibility to meet their home responsibilities, such as caring for children or elderly relatives, without jeopardising their work position.

Many forward-thinking employers are already reaping the benefits of work-life balance. If British business is to be competitive and attract the best employees, it is vital that this issue is put firmly on the agenda.

A good place to start is the BIS site: www.bis.gov.uk/employment/workandfamilies/flexible-working/index.html

This web page includes information about the Flexible Working law that enables

parents with a child under 6 or a disabled child under 18 to make a request for flexible working.

The Business Benefits

Introducing employment policies that encourage a healthier work-life balance for your employees can bring real benefits to your business. Research has shown that if employees are less stressed:

- the quality of their work is likely to improve;
- productivity is likely to rise;
- wastage levels can be cut through fewer mistakes and reduced sickness absence;
- morale should improve;
- recruitment and training costs can be reduced through improved staff retention.

Some employees have a legal right to request flexible working arrangements. Employees with young or disabled children under the age 6 or 18 respectively (or carers of adults from 1 April 2007) may request a change to their hours, times or place of work. From April 2009 the right to request flexible working will be extended to workers with children aged 16 and under.

Employers must seriously consider any requests they receive and may only refuse the request if there is a clear business reason why it cannot be met.

Drawing up a clear policy on flexible working can have a positive impact on management by making it clear the circumstances in which a request for flexible working will be considered and approved. This saves management time and means that inconsistencies in management decisions are removed. It can also help employees by explaining their rights.

Real life examples of the benefits:

Improved recruitment and retention:

- Improved retention means that BT saves c£5m a year on recruitment and induction. On average each home worker saves BT £6000 a year.

Lower rates of absenteeism:

- The London Borough of Camden experienced a 2.5% reduction in the cost of sickness absence in the first year it introduced a work-life balance strategy.

More motivated workforce:

- 80% of Work Options users at Lloyds TSB believed their flexible working arrangements improved their performance and would recommend Lloyds TSB as a good organisation to work for.

Source: EaWLB

What is "Work-Life Balance"?

"Work-life balance is about people having a measure of control over when, where and how they work. It is achieved when an individual's right to a fulfilled life inside and outside paid work is accepted and respected as the norm, to the mutual benefit of the individual, business and society."

Source: EaWLB

Flexible and work-life balance policies will also foster a more positive perception of you as an employer. This can lead to better relations with your employees and greater staff loyalty, commitment and motivation, reducing staff turnover and recruitment costs.

However, the benefits of a work-life balance initiative are not confined to just the workforce. Work-life policies and flexible working practices can also help you:

- react to changing market conditions more effectively and meet customer demands - for example, shift work, part-time work and flexitime can help you open longer without making your employees work longer hours;
- meet seasonal peaks and troughs in your business;
- boost your competitiveness; and
- become recognised as a business that people want to work for.

Many workplaces that offer flexible working practices and leave arrangements have also reported a better financial performance than that of similar workplaces in the same industry.

How to make Work-Life Balance succeed

There are no hard-and-fast rules on what constitutes an acceptable work-life balance - this will depend on your business' operational requirements and the needs of your employees.

Flexible working arrangements

This includes part-time working, flexitime, job sharing and home working. Self-rostering allows employees to choose which shifts to work.

Other policies that make it easier for employees to balance work and the rest of their lives include unpaid career breaks and paid sabbatical schemes. These are a cost-effective way to retain valued staff or reward those with long service.

Allowing your employees extra days off work - whether paid or unpaid - can improve their work-life balance. Holiday purchase schemes enable employees to buy additional - usually limited - holidays on top of their annual entitlement. You could consider giving employees maternity, paternity, adoption or parental leave in excess of the statutory minimum, e.g. higher pay or longer leave.

These schemes give employees a measure of control over how their working lives are organised and foster greater employee loyalty and commitment.

The following table shows a number of possible flexible working solutions that include both flexibility in terms of time (e.g. part-time work, shift work) and location.

| Term | Type of working |
|--------------------------|--|
| Part-time working | Workers are contracted to work less than standard, basic, full-time hours. |
| Flexi-time | Workers have the freedom to work in any way they choose outside a set core of hours determined by the employer. |
| Staggered hours | Workers have different start, finish and break times, allowing a business to open longer hours. |
| Compressed working hours | Workers can cover their total number of hours in fewer working days. |
| Job sharing | One full-time job is split between two workers who agree the hours between them. |
| Shift swapping | Workers arrange shifts amongst themselves, provided all required shifts are covered. |
| Self rostering | Workers nominate the shifts they'd prefer, leaving you to compile shift patterns matching their individual preferences while covering all required shifts. |
| Time off in lieu (TOIL) | Workers take time off to compensate for extra hours worked. |
| Term-time working | A worker remains on a permanent contract but can take paid/unpaid leave during school holidays. |
| Annual hours | Workers' contracted hours are calculated over a year. Whilst the majority of shifts are allocated, the remaining hours are kept in reserve so that workers can be called in at short notice as required. |
| V-time working | Workers agree to reduce their hours for a fixed period with a guarantee of full-time work when this period ends. |
| Zero-hours contracts | Workers work only the hours they are needed. |
| Home working/teleworking | Workers spend all or part of their week working from home or somewhere else away from the employer's premises. |
| Sabbatical/career break | Workers are allowed to take an extended period of time off, either paid or unpaid. |

Source: Business Link



The Benefits - Everyone Wins!

Alternative work schedules benefit employees by:

- Reducing home-to-work travelling time.
- Reducing job and commuting stress.
- Increasing family and personal time.

Alternative work schedules benefit employers through:

- Boosting morale.
- Increasing productivity.
- Recruiting and retaining the best talent.

Making the working environment more attractive

Improvements to the working environment can boost morale and help you retain valued staff. Typical techniques include:

- free exercise classes;
- a free/subsidised canteen;
- company days out;
- childcare vouchers;
- funding/time-off for learning.

Job design

Consider improving the quality of employees' work lives by designing jobs so they provide:

- some variety of method, location or skills;
- regular feedback on their performance;
- discretion in the timing, sequence and pace of work;
- opportunity for problem-solving and learning/personal development;
- specific responsibilities for achieving tasks or goals;
- an understanding of how they contribute to the final product/service.

Recognising the need

As an employer, you might find it hard to judge whether you are supporting your employees' need to balance their commitments at work with those at home.

Tell-tale signs of poor work-life balance include:

- employees doing a lot of overtime;
- employees taking a lot of time off to deal with "emergencies" involving children or other dependents;
- high levels of employee stress;
- high rates of absenteeism or staff sickness;
- high levels of staff turnover.

If you want to ensure your business is one which encourages a healthy balance between work and outside commitments, the first step is to talk to your employees, their representatives and managers about where improvements could be made. There is no right answer or approach that works for every business, although there are a handful of tried-and-tested techniques which can help.

Any new flexible working arrangements should be tailored to your business' operational needs and employees' requests.

Work-life balance – Checklist for Employers

An organisation that is committed to Work-Life Balance:

- Recognises that effective practices to promote work-life balance will benefit the organisation and its employees;
- Acknowledges that individuals at all stages of their lives work best when they are able to achieve an appropriate balance between work and all other aspects of their lives;
- Highlights the employer's and the employee's joint responsibility to discuss workable solutions and encourages a partnership between individuals and their line managers;
- Develops appropriate policies and practical responses that meet the specific needs of the organisation and its employees, having regard to:
 - Fairness and consistency;
 - Valuing employees for their contribution to the business, not their working pattern; and
 - Monitoring and evaluation;
- Communicates its commitment to work-life strategies to its employees;
- Demonstrates leadership from the top of the organisation and encourages managers to lead by example.

Great Place to Work®

People who say they work in a great organisation put it down to a knowledge that they know what's going on and how they fit into the bigger picture, and a sense that their contribution is valued and makes a difference. All of this adds up to a sense of opportunity, achievement and excitement.

Great places to work come in all sizes and are drawn from all sectors. They can be very different from each other, but they all seem to share a common culture:

- they achieve results by sharing the goals of the organisation with their people;
- they involve everyone by sharing information and effort;
- they develop people by sharing learning with everyone.

Great Place To Work® is the registered service mark of Great Place To Work® Institute, Inc. an international organisation headquartered in San Francisco, California, USA, dedicated to bettering society by helping companies transform their workplaces.
<http://www.greatplacetowork.co.uk/>

Achieving a work-life balance is not just a one-off exercise, but a long-term commitment to operating your business in a way that respects your employees' responsibilities outside work. Policies designed to help you achieve this need to be tailored to your business and your employees. Make sure you:

- determine your core business requirements first - what you want to achieve;
- ask staff - both managers and other workers - what they want;
- consult with trade unions/staff associations;
- consult all employees affected and agree upon selected policies, e.g. flexitime;
- decide which of your employees will be covered by the scheme and ensure the scheme does not unfairly discriminate;
- draw up written procedures for implementation and evaluation, including regular reassessment;
- ensure support from management;
- take the lead in demonstrating a commitment to work-life balance;
- explain any changes to employees and keep them abreast of regulatory changes, e.g. the right for parents to request flexible working.

Business Link also has some very useful information at:

<http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1073931239>

You may find it helpful to conduct a trial or pilot scheme to see how effective and workable your new policies are. Change the programme if this proves necessary and keep track of the progress of your business and your employees' work-life balance. You may need to introduce a hierarchy of needs if there is too much demand for some kinds of flexible working, e.g. giving priority to parents. You can measure the success of your policies by tracking changes in the rate of absenteeism, rate of staff turnover and customer satisfaction.

Not just for Parents

A Department for Education and Employment (DfEE) survey of 7,500 employees in 2000 revealed that everyone, not just parents want to get a life. Employees regardless of whether or not they have children want flexible working practices so they can better balance the demands of work and home life.

Among the findings for employees with no caring responsibilities:

- 19% would like to be able to work part-time, the same number for those with caring responsibilities;
- 21% would like to work annualised hours (having to work a certain amount of hours each year but being able to vary the week worked throughout the year), the same number for people with caring responsibilities;
- 12% would like the option of a job-share (even higher (19%) for people with caring responsibilities);
- 34% would like flexitime, compared with 37% for people with caring responsibilities;
- 34% would like to work compressed hours (for example allowing an employee to do a full-time job in four days a week instead of five). This figure is 37% for those with caring responsibilities;
- 26% would like to be able to work from home, only one percent less than the figure for those with caring responsibilities.

There is also a huge potential demand for more flexible working practices in both the private and public sectors. For example:

- almost a quarter (24%) of all employees currently work flexitime although 35% employees want to;
- 17% of employees say that flexitime is compatible with the work they do but do not think their employer would allow them to work flexitime;
- only 6% of employees currently work a compressed working hours week but 33% would like to; and
- 14% of employees say that working compressed hours is compatible with the work they do but do not think they would be allowed by their employer to work this way.

HMRC issues guidance on working from home

HMRC has issued a guidance document "Specific deductions: use of home: apportioning the expenditure" which explains how to apportion expenditure where a self-employed person's home is used partly for business and partly for other purposes.

In the guidance, HMRC quotes case law which states "... it is possible to apportion the use and cost of a room on a time basis, and to allow the expense of the room during the hours in which it is used exclusively for business purposes, in the same way as it is possible to calculate the business expenses of a car which is sometimes used for business purposes exclusively and sometimes used for pleasure."

In apportioning the relevant expense HMRC suggest considering:

- Area: what proportion in terms of area of the home is used for business purposes?
- Usage: how much is consumed? This is appropriate where there is a metered or measurable supply such as electricity, gas or water.
- Time: how long is it used for business purposes, as compared to any other use?

If part of the home is set aside solely for business use for a specific period then a part of any fixed costs is allowable; these costs will need to be apportioned by area and time. Running costs relate to expenses where the bill may vary with the amount of business use; these costs should be on the basis of usage.

HMRC examples of what is claimable are available at: www.hmrc.gov.uk/manuals/bimmanual/BIM47825.htm

The guidance is available at: www.hmrc.gov.uk/manuals/bimmanual/bim47815.htm

Working Families

Working Families is the UK's leading work-life balance organisation. They help and give a voice to working parents and carers, whilst also helping employers create workplaces which encourage work-life balance for everyone. They make the case to government and employers for social policy and workplace change that will benefit families, employers and communities.

Their website provides an employer zone that includes helpful information on implementing work-life balance in the workplace, case studies, conference details and much more:

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

Further Information

ACAS has published a guide to all the major kinds of flexible working. "*Flexible working and work-life balance*" also features a step-by-step guide to developing a flexible working policy, information on the changes introduced by the Work and Families Act 2006 and a Question & Answer section.

http://www.acas.org.uk/media/pdf/i/t/B20_1.pdf

Carers UK have produced a free Employers Information Pack in conjunction with the BIS, ACAS, British Chambers of Commerce and other partners. It includes advice on how flexible working can benefit both employers and employees. The Carers UK website is at: <http://www.carersuk.org/>

This publication is for general interest - it is always essential to take advice on specific issues.

We believe that the facts are correct as at the date of publication, but there may be certain errors and omissions for which we cannot be responsible.

Acknowledgement and References

¹ The Department for Business, Innovation & Skills (BIS) was formerly known as the Department for Business, Enterprise and Regulatory Reform (BERR) and before that was called the Department for Trade & Industry (DTI).

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