

**AIM Insights**

# **MANAGING IN A FLEXIBLE WORK ENVIRONMENT**

**WHITE PAPER November 2012**



Australian  
Institute of  
Management

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# FOREWORD

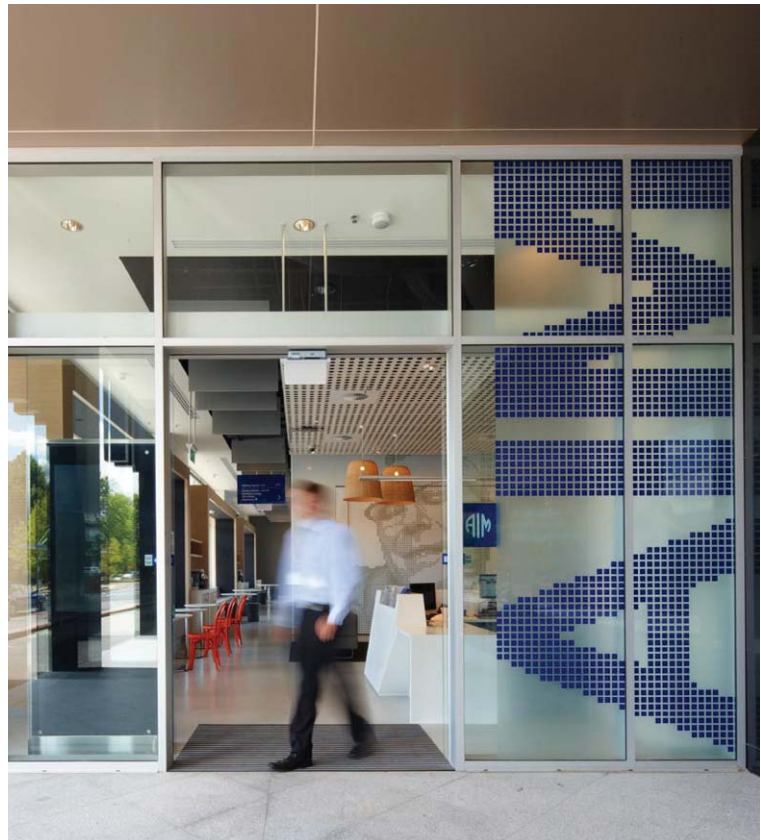
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The "White Paper" designation signifies that this document:

- Contains our conclusions on an issue that has relevance to the management community
- Builds on our initial thoughts and insights, developed through a process of qualitative and/ or quantitative research and set out in our previously published Green Paper
- Is ready for circulation both to members of the Institutes and to the broader management community to inform their thinking, policies and practices.

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# ACRONYMS

<b>ABS</b>	Australian Bureau of Statistics
<b>AIM</b>	Australian Institute of Management
<b>AIM NSW &amp; ACT</b>	Australian Institute of Management NSW & ACT
<b>DCA</b>	Diversity Council of Australia
<b>EOWA</b>	Equal Opportunity for Women in the Workplace Agency
<b>GFC</b>	Global Financial Crisis
<b>HR</b>	Human resources
<b>IT</b>	Information technology
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>RDO</b>	Rostered day off
<b>ROI</b>	Return on investment
<b>TOIL</b>	Time off in lieu

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# RESEARCH INSIGHTS

Across Australia there is a growing demand for more flexible work arrangements. Work is no longer neatly contained between set hours, and workers have a multiplicity of non-work responsibilities and interests which they seek to balance with their work roles. Working part time, staggering start and finish times, teleworking, taking extended leave, staging retirement or phasing a return from leave—all these arrangements and more are finding their way into workplaces.

Flexibility impacts on how organisations function, and these impacts need to be managed.

In the research for this paper, the Australian Institute of Management NSW and ACT and the Australian Institute of Management Qld and NT (collectively, AIM) have found that the role of managers in facilitating workplace flexibility is crucial, and that it is potentially quite a demanding challenge for them.

The good news is that these challenges can, in large part, be effectively managed using the suite of skills on which managers already rely every day—monitoring workloads ... supervising, appraising and supporting staff ... and communicating effectively with teams and colleagues.

We have observed, however, that in a flexible work environment deficiencies in management skills tend to be exposed more readily. In effect, management deficiencies—irrespective of context—are foregrounded, exposing an opportunity to target management skills development.

This paper sets out the drivers for workplace flexibility, and the benefits that it may deliver to employees, employers and society more broadly.

Our work was initially prompted by the insight that mainstreaming workplace flexibility will be one important mechanism for redressing the gender imbalance in our corporate leadership ranks. But this is just one part of the workplace flexibility equation. Flexible work arrangements have the potential to bring benefits for employees and employers on a number of fronts.

For employees, flexible work offers the opportunity to balance childcare and other family

responsibilities better with work; undertake volunteering and other community activities; pursue study and recreational interests; and avoid long and costly commutes. Research has established a positive relationship between workplace flexibility arrangements that give employees greater control over when they work, where they work and how they work, and employee health, well-being, satisfaction and engagement.

For employers, these improved employee outcomes should convert to improved workplace productivity, financial performance and client service—through enhanced opportunities for talent management; greater productivity; stronger engagement with clients; and cost savings from the reduced need for office space.

Emerging evidence also suggests that flexible work arrangements enhance employee creativity and organisational innovation leading to new ways of operating, new products and services, new markets and new ways of reaching existing markets.

In addition to its direct benefits for employers and employees, greater workplace flexibility has the potential to boost workforce participation levels, which indirectly benefits society as a whole. For example, more widespread flexible work options may:

- Lead to increased numbers of people with parenting responsibilities (the majority women) remaining in, or returning to the workforce
- Enable those with caring responsibilities to increase their hours of work if some can be undertaken at home
- Allow older workers to stay in the workforce for longer.

Technology is, of course, a great enabler. The widespread availability of smartphones; increasing access to high-speed broadband and wireless technology; and the advent of videoconferencing enable work to be carried out effectively in ways unimaginable just a few years ago.

Equally, however, new technologies—combined with changes in social patterns and work expectations—also contribute to the risk of work intensification. While this may yield productivity gains in the short-term, it carries risks to employee health, well being, satisfaction and engagement, and may therefore generate a negative impact on productivity over the longer term. All employees face the risk of work intensification, but its effects are potentially even more pronounced for those on flexible work arrangements—particularly part time work.

Finally, a significant challenge to implementing flexible work arrangements is attitudinal. Business owners or senior executives may perceive that flexible work arrangements are associated with a lack of commitment to the organisation. Busy line managers may fear that implementation of flexible work arrangements will become yet another item on an already crowded “to do” list. Colleagues may resent flexible work as a privilege extended only to the lucky few. Until these attitudes are challenged, flexible work may be perceived as a curiosity, privilege, nuisance or unnecessary cost.

So where to from here?

We suggest it is time to view flexible work as a solution rather than a problem, and we believe the time is right to advocate for flexible work to be mainstreamed in Australian workplaces.

This will involve a significant change in the culture and practices of employer organisations across the country, as it will no longer—in our view—be adequate for them to respond reactively when individuals or small group of employees express ad hoc needs for flexibility in their working arrangements.

In setting out the drivers and the business case for workplace flexibility, we encourage managers to “take the flexibility challenge”: identify their organisation’s most pressing issues and concerns, and imagine how flexible work can be part of the answer; identify the organisation’s strengths and opportunities, and imagine how flexible work can help enhance these. This is a process we are going through ourselves, at AIM.

Providing managers with guidance and support in applying their core skills effectively in a flexible work environment is a further important step towards mainstreaming flexible work in Australian workplaces.<sup>1</sup> The last section of this paper outlines the key challenges that managers face in a flexible work environment and provides some practical guidance on how to manage these challenges.

Finally, initiatives and actions that encourage a cultural shift at the societal level are vital. An important example is the Australian Government’s *Telework Partners Program*,<sup>2</sup> which has been established to encourage awareness of the benefits of teleworking—that is, working from a place other than the office. AIM is supporting this Program, and encourages other employer organisations to do so.

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1. Refer to the Diversity Council of Australia’s recent report (2012a) *Get Flexible: Mainstreaming flexible work in Australian business*, for a comprehensive list of actions required to mainstream flexible work.

2. For more information about the National Broadband Network and the implementation of telework in Australia see <http://www.nbn.gov.au/nbn-benefits/telework/> and <http://www.telework.gov.au>



# RESEARCH PROCESS

The insights contained in our Green Paper (AIM, July 2012) were based on a combination of:

- desktop research;
- knowledge built through AIM's training and development of management practitioners; and
- in-depth interviews with a small sample of private sector and public sector managers with direct experience of managing in a flexible work environment.

In the next phase of this project we tested the ideas contained in the Green Paper and developed strategies for managers (the final section of this White Paper) through the following mechanisms:

- A roundtable discussion with a mix of academic, corporate and public sector representatives with expertise and/or interest in workplace flexibility—the roundtable was led by presentations from Professor Marian Baird, University of Sydney; Helen Conway, Director, Equal Opportunity for Women in the Workplace Agency; and Nareen Young, CEO, Diversity Council of Australia, and moderated by Dr Rae Cooper, University of Sydney;
- follow-up discussions with interview and roundtable participants; and
- feedback from AIM's membership and management practitioners on the Green Paper.

AIM's contribution to the thinking around workplace flexibility also included participation in the *Gender Equity in the Workplace Summit: Reimagining our workplaces*<sup>3</sup> workshop on workplace flexibility, which included a 'thought starter' presentation by Dr Lucy Burgmann, Research Associate, AIM.

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3. The Gender Equity in the Workplace Summit was held by UN Women Australia and the Australian Human Resources Institute in Sydney on 24 July 2012.





# THE FLEXIBILITY DEBATE

## Introduction to managing flexibility

As a society we are grappling with major changes in both family structures and employment arrangements, with resultant concerns about the impact on work/ life balance (AIM NSW & ACT, 2012a: 17-20; Pocock, Skinner, & Pisaniello, 2010; Fear & Denniss, 2009).

The demand for flexibility is evident and building fast (Abhayaratna, Andrews, Nuch, & Podbury, 2008: xxii). Flexible work arrangements of one kind or another are already in many of our workplaces. As flexibility becomes part of our operating environment, managing flexibility must become part of our core business.

This project arose from AIM NSW & ACT's previous White Paper, *Gender Diversity in Management* (2012a), which analysed the underrepresentation of women in management and leadership roles in the workplace. One of the key findings was the need for increased flexibility in the workplace: as a result, AIM NSW & ACT committed to carrying out further research into workplace flexibility with a particular focus on:

- How to manage effectively as a manager on flexible work arrangements, and
- How to manage staff effectively in an organisation with flexible work arrangements in place.

Although there is a wealth of research on the topic, there is a gap when it comes to a focus on the cultural and management challenges associated with making flexible work practices actually work. This is despite the fact that much of the literature specifically identifies that the skills, attitude and resources of managers are make-or-break factors in the successful implementation of flexible work arrangements (Diversity Council of Australia, 2010: 3; Baird, 2010; Managing Work Life Balance International, 2010; Baird, Charlesworth, & Heron, 2010: 11; Heron, 2010).

This White Paper begins to fill that gap by outlining the challenges faced by employer organisations—and the managers who work in them—involved in introducing flexible work arrangements. It also provides suggestions for meeting these challenges.

## The context

Australian society is changing, and with it Australian workplaces. The statistics are instructive:

- Women now comprise 45 percent of the workforce, with women's participation rate having nearly doubled since the early sixties.
- Flowing on from the increase in women's workforce participation is a rise in the number of dual income households, now at 55 percent of all partner households.
- There has also been a notable increase in the amount of part time work: women still make up the vast majority, at almost three quarters of the part time workforce, however there has also been a rise in the proportion of male part time workers in recent years (Australian Bureau of Statistics, 2011a: 2-3; AIM NSW & ACT, 2012a: 6 & 17; Baird, 2010: 2-3).
- The ageing of the population means that total labour force participation for people aged 15 years and over will drop from 65.4 percent (2008-09) to less than 61 percent in 2049-50. Encouraging mature aged participation in the workforce will be important for future economic growth (Commonwealth Treasury, 2010: 14-15).
- Gen Y employees value workplace flexibility and are more likely (14 percent versus seven percent) to consider resigning due to a lack of flexibility compared to other generational cohorts (DCA, 2010: 21).

There is a widespread perception that employee demand for flexible work is mostly driven by childcare responsibilities. Certainly this is an important factor, as there are many workers who have some responsibility for childcare and other household responsibilities. Statistically, workers with the primary responsibility for childcare continue to be women, however there is a trend towards male workers, especially young fathers, who also spend time on childcare and other family responsibilities (DCA, 2012c: 8).

The need to manage childcare responsibilities, however, represents only one of the reasons why employees value flexible work.

We are also now seeing a growing number of employees with responsibility for caring for parents and other aged relatives. Like parents of young children, these employees look to flexible work arrangements to assist them to manage their family responsibilities. Of course, for the "sandwich generation" caring responsibilities extend to dependent children *and* ageing relatives.

Employees are also engaged outside the workplace in a range of family, social and personal interests, and may seek to work more flexibly in order to accommodate these interests.

There are demographic drivers for flexibility, too.

The literature suggests that "Gen Y" workers value flexibility even more highly than other age groups (Pocock, Skinner, & Pisaniello, 2010: 4). Younger workers may have fewer family responsibilities, but they have significant non-work interests and activities. For example, Gen Y tends to spend longer transitioning from study to work than previous generations. This does not signal that younger workers are less committed to work, but simply that this cohort's expectations are different (Pocock, Skinner, & Pisaniello, 2010: 4; DCA, 2010: 21).

At the other end of the demographic spectrum, the ageing of the population is also beginning to act as a driver for workplace flexibility. With increasing numbers of older people seeking to remain in, or rejoin, the workforce, older workers are becoming a significant and distinct talent pool. The research indicates that flexible work options—including part time work, phased retirement and working from home—consistently rank as one of the top two or three factors in engaging older workers (Advisory Panel on the Economic Potential of Senior Australians, 2011: 29; National Seniors Australia, 2012: 8; National Seniors Australia, 2009: 13-4; Ryan, 2012; DCA, 2012b).

One other driver for increased flexibility deserves particular mention: namely, the time and cost involved in travelling to work. With a contributing factor being the rise in dual

income households, and the fact that it may be impossible to live close to both partners' places of work, many workers face long, frustrating and often expensive commutes at the start and end of each workday—especially in our capital cities.

Unless organisations consciously seek to manage all of these factors, the changes are likely to take place more slowly and more chaotically, and will not translate as strongly into benefits for employees and employers.

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## Flexibility: a flexible concept

The concept of flexible work has the tendency to cause confusion. This is partly because the terms “flexible work”, “workplace flexibility”, “work/ life balance” and so on are used to refer to a wide variety of practices, including:

- Working part time—note that there is a strong perceived connection in the community between working flexibly and working less than a full time load.
- Working compressed hours—for example, working the equivalent of a full week but over four days.
- Working from home—either some or part of the time—this may be referred to as teleworking or telecommuting, and may be arranged formally or on an ad hoc basis.
- Working as a “day extender”—working predominantly in the office but also carrying out additional work at home in the evening.
- Working from an alternative worksite—again, either some or part of the time—such as a regional office.
- Work arrangements which include flexi-time, formal or informal TOIL practices, or formal RDOs.
- Work arrangements which involve overtime.
- Contract work or consulting.
- Casual work of various kinds, including working either regular or irregular casual hours, or working base hours which may be “flexed up” by the employer to meet peak demand.
- Job sharing—for example, two part time workers filling one full time job.
- Working non-traditional hours—for example, starting at midday and working into the evening to respond to clients in other time zones, or working a “split shift” to cover before and after hours peak demand.
- Working different hours at different times—for example, working “term time hours” with longer work days during school terms and fewer hours or work days during school holidays.
- Working on secondment.
- Extended leave periods—for example, new graduates taking a year off before commencement.
- Purchased leave—for example, taking eight weeks leave a year for a commensurate reduction in full time pay.
- Tailoring approaches to the use of leave—for example, allowing staff to use half days of annual leave to meet personal commitments, or phased return from parental leave.
- Phased retirement—for example, reducing hours progressively over a certain time period rather than ceasing work completely.

Some of these work practices are more common than others: some have been a feature of Australian workplaces for decades,<sup>4</sup> while others are more recent; some pose more complex management challenges than others.

What is important to note at the outset is the diversity: there are many different types of flexible work, and it is important not to assume that flexible work only means part time work, or only means working from home.

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4. For example, shift work in professions such as nursing.

## Mainstreaming flexibility

There is a growing consensus that the greatest advantages from flexible work, for both employers and employees, comes when flexible work is mainstreamed within an organisation. The Diversity Council of Australia describes mainstreaming flexibility as the “next frontier”, indicating the qualitative as well as quantitative nature of the change (DCA, 2012a: 6; AIM NSW & ACT, 2012a: 20; Telework Australia, [www.telework.gov.au](http://www.telework.gov.au), n.d.).

For many organisations, their first experimentation with flexible work is to allow one valued employee to make a specific change to their work practices (for example, an employee with well-regarded skills and strong corporate knowledge may be allowed to work two days a week from home). Alternatively, organisations may agree flexible work arrangements with specific groups of employees (for example, women returning from maternity leave may be permitted to work part time for a period of time).

By contrast, mainstreaming flexible work means changing the culture and practices of the organisation as a whole, not simply responding to an individual or a specific group of employees.

This is likely to be a sizeable change management exercise, involving modification or transformation of many business practices and requiring a fundamental shift in what may be considered “normal” in the workplace otherwise flexible work may be perceived as a curiosity, privilege, nuisance or unnecessary cost.

The problems raised and the reasons put forward as to why flexible work “won’t work” in a particular organisation can be solved, provided the attitude is right. This is not the same as saying that implementing flexibility is easy: there are issues for each industry, organisation, team and indeed individual, but managers can be assisted to solve those issues just as they solve issues in the most traditional or inflexible workplaces.

## WORKPLACE ATTITUDES, SOCIAL ATTITUDES

There are many reasons why an organisation may start with a negative attitude towards flexible work. Business owners or senior executives may perceive that flexible work arrangements are associated with a lack of commitment to the organisation. Perhaps resistance comes from a busy line manager, fearful that implementation of flexible work arrangements will become yet another item on an already crowded “to do” list and in an already tight budget. Another vital “gatekeeper” is the Human Resources team, which may inadvertently or deliberately block moves towards flexible work. For example, HR may insist on adherence to existing policies regarding home use of business equipment, which may limit telework options, or may allocate staff to projects on a “head count” basis, disadvantaging managers with lots of part time staff. The literature shows, too, that workers who have not been offered, or have not taken up, flexible work may resent those who do, and may perceive flexible work arrangements as a privilege extended only to the lucky few.

When workplace flexibility is not an accepted practice, it is easy for people to attribute any problems in the workplace to flexible work arrangements. For example, if an individual who teleworks three days per week performs poorly, it may be tempting to conclude that their flexible work arrangements are the issue, rather than analysing whether the employee has the right skills for the role, whether their supervision is appropriate, or whether the project they are working on has been adequately scoped.

Of course, attitudes in the workplace are linked to attitudes in society as a whole. People learn what work means well before they land their first job; cultural norms and practices continue to influence workplaces, and vice versa. For example, ABS data reveals that the most likely arrangement for couple families with children is for both parents to be working, most commonly with the mother working part time and the other adult working full time (Australian Bureau of Statistics, 2009: 1).

One of the drivers behind this pattern of female part time work is the cultural expectation that women should take primary responsibility for childrearing. Although the cliché of the full time bread-winner husband and home-maker wife is now uncommon in the real world, in subtle—and often unconscious—ways it continues to shape expectations in the workplace (DCA, 2012a: 8-9; Baird, Charlesworth, & Heron, 2010: 7-8). In our complex world, a truly ‘ideal worker’ is not someone solely committed to their job, but someone with the expertise to manage the competing demands of work responsibilities and non-work responsibilities and interests.

When flexible work is considered “normal”, it becomes much easier to negotiate and implement flexible work arrangements. Mainstreaming or normalising flexible work requires support from the top: from the board, the CEO and the senior managers of the organisation. Success is higher where senior staff are explicit in their support for flexible work, and especially where they take up flexible work options themselves (McMahon & Pocock, 2011: 2 & 10). Clear policies and procedures on workplace flexibility are also important. However, as our interview participants observed, flexibility policies are only as good as their implementation, and work best either when they reflect an existing positive attitude towards flexibility, or when the development of such policies are specifically used as part of a change management process to establish a new, flexible workplace culture.

Mainstreaming flexible work (ie where flexible work options are available to all or the majority of staff, rather than simply selected individuals or specific groups) helps minimise negative responses within an organisation. In addition, the management of practical issues such as achieving appropriate workloads for all staff, and establishing effective forms of communication, becomes commonplace.



## New technology: the great enabler

While workplace flexibility takes many forms, recent advances in digital technologies can play a vital role as an enabler: the widespread availability of eMail, laptops and smartphones; the promise of high-speed broadband through the National Broadband Network; increasing access to wireless technology; the advent of videoconferencing and online events such as webinars; all enable work to be carried out effectively in ways unimaginable just a few years ago (Telework Australia [www.telework.gov.au](http://www.telework.gov.au), n.d.; AIM NSW & ACT, 2012a: 18; The GPT Group, 2012a and 2012b).

According to a recent survey over three quarters of Australian employers agree or strongly agree that complex new technology, available at relatively inexpensive prices, will soon make the mobile workforce a reality (Randstad, 2011).

The challenge is to harness IT in ways which enhance productivity, facilitate new flexible work practices, and transform how we think about work. Even a small change in the way readily available IT is used, however, can make a significant difference. For example, senior staff with management or client responsibilities will find that being able to check emails or review a shared document from a laptop while working flexibly in a remote location allows them to be effectively “at work” even when they are not sitting in the office – meaning that clients, staff and colleagues continue to perceive them as responsible and available.

### WORK INTENSIFICATION

The flip side of new IT as a great enabler of flexible work, is the danger of work intensification or time pollution, where work expands into times and places previously quarantined for leisure, family or other non-work activities (Pocock, Skinner, & Pisaniello, 2010; Fear & Denniss, 2009; Fear, Rogers, & Denniss, 2010; Fear, 2011; Bardoel, 2012). While not inherently linked to flexibility or to new technology, the increase in flexible work arrangements enabled by technology helps to reveal the scale of this issue. For example, part time staff may check their emails or answer work phone calls on non-work days. Managed poorly, the use of technology can lead to part time workers effectively being on call full time.

While the intensification of work may yield productivity gains in the short-term, it carries with it a risk to employee health, well being, satisfaction and engagement, and a consequent negative impact on productivity.

Ironically, the introduction of flexibility may be more contentious in workplaces where “full time work” actually means “excessive work”—in other words, where work intensification is already the norm.

In the past, a combination of workplace culture, specific award provisions and technology meant that work patterns were relatively stable, and the boundary

between work and leisure was relatively firm. Depending on the nature of the organisation, employees worked nine to five Monday to Friday, or clocked on and off triggering formal overtime payments where necessary. Work was done “at work”; home was not for work. No one read eMails on their smart phone over breakfast or logged on from home in the evening or scheduled a teleconference to coincide with driving to pick up their children from soccer practice, and a phone call from the boss or a client over the weekend would have been unthinkable other than in an emergency.<sup>5</sup> Now, blurring work/life boundaries may be thought necessary by workers who want to advance their careers: being on call over the weekend, returning early from holidays to deal with an issue, or missing the kids’ swimming carnival (or birthday party) in order to demonstrate their commitment (Carter & Silva, 2011: 3).

All this suggests that work boundaries appropriate to individual workers and workplaces need to be more clearly defined and understood. Managers need to be aware of where and how work is being undertaken, and should be prepared to take this into account in reassessing workloads. Individual staff members need to be aware of their own work patterns, and should be prepared to negotiate these with managers.

5. For a snapshot of changes in the workplace over the past fifty years see the December 2011 edition of *Australian Social Trends: Fifty Years of Labour Force: Now and Then* (Australian Bureau of Statistics, 2011a)



## Flexible careers

Adding to the debate around flexible work is the concept of flexible careers, which identifies workers' changing levels of investment in work over the course of their life (DCA, 2012a: 6). The days of a job for life, where a person joins an organisation "at the bottom" and works their way up the rungs following a steady and predictable career path within the organisation, are long gone. Employees increasingly change not only their employer several times, but their industry and even their core skills, rendering the concept of "career path" somewhat misleading.

Alternative models for conceptualising careers have now come into play. For example, Deloitte's "lattice" model highlights a worker's individual and changing priorities in relation to: pace (accelerated to decelerated), workload (reduced to full), location (restricted to unrestricted), and role (leader to individual contributor) (DCA, 2012a: 18 & 31). Other models emphasise "off ramps" and "on ramps", "ramping up" and "ramping down" to reflect changes in lifecycle, needs and aspirations (DCA, 2012a: 18 & 31).

Despite this, flexible work continues to be associated with employees who have a relatively low career trajectory, and while there may be many workers on flexible work arrangements, very few managers are in this position (Abhayaratna, Andrews, Nuch, & Podbury, 2008: xvi-iii & 8; Ernst & Young cited in AIM, 2012a: 19).

The strong perception remains that management is inherently a full time "on site" role, where the manager is constantly available to supervise staff and to give guidance (McDonald, Bradley, & Brown, 2009: 149). Embedded in this is the implication that management requires not just full time hours but long hours at the workplace: it is not a "nine to five" role, let alone a "ten to three" role. The employee who is able to invest themselves fully in their job finds a parallel in the manager whose level of workplace responsibility encroaches on external interests and commitments.

There are many possible reasons why flexible workers are not making it in large numbers to the management level:

- They may be experiencing limited access to opportunities in the workplace (DCA, 2012a: 23), for example if promotional positions are restricted (formally or informally) to full time workers
- Employees who work flexibly may be overlooked for promotion despite no formal exclusion policy
- Promotion may result largely from informal networking with senior management, which may be more difficult for those on flexible work arrangements
- Workplaces may have a strong record of promoting flexible workers to middle management roles, but fail to make the changes that would be required to continue those managers' career progression into more senior roles

In some industries there are relatively fixed, and brief, periods in a young employee's career where they may be identified as a potential manager or partner: these periods typically correspond to the age when women are more likely to be on maternity leave, meaning that they may miss out on the opportunity for advancement even after they return to work.

Similar difficulties may be faced by staff in other senior (albeit non managerial) roles. This may include staff who have responsibility for liaising with a particular client, or who report directly to senior management on a specific project (Ernst & Young, 2011: 6).

Flexible workers' lack of career progress can be challenged by mainstreaming flexibility within the organisation. In fact, DCA identifies the promotion of staff on flexible work arrangements as a key indicator of mainstreamed flexibility (2012a: 7). Once flexibility is understood as a normal part of the work environment, it is easier to imagine how senior roles can be effectively performed by staff working flexibly.

## Flexibility for whom?

Much of the literature regarding workplace flexibility analyses the quality, or rather lack of quality, of jobs performed on flexible work arrangements (Abhayaratna, Andrews, Nuch, & Podbury, 2008: xxi, xxiv, xxvii-iii, xvii; McDonald, Bradley, & Brown, 2009; Australian Council of Trade Unions, 2012; Richardson, 2012; Baird, Charlesworth, & Heron, 2010: 4). Some researchers distinguish between “bad” and “good” flexible jobs, emphasising how few of the latter are available: “bad” flexible jobs tend to be characterised by unpredictable hours, low rates of pay, poorer employment conditions and lack of access to opportunities.

There can be a sharp distinction between what an employer or manager thinks of as flexible work, and what employees have in mind. Indeed, flexibility from an employer’s point of view may be highly inflexible from an employee’s point of view, and vice versa. For example, an employer may use a sizeable number of casual employees as a “swing” workforce, to ensure that hours can be increased and decreased easily to match demand. This represents flexibility for the employer, but may result in unpredictable hours for the employees, with little or no capacity to negotiate alternatives: the very definition of inflexibility from the employee’s point of view.

Equally, take the case of an employee who works 9 AM to 3 PM Monday to Thursday: this arrangement may suit the employee and allow the flexibility needed to manage their non-work interests and responsibilities; however from the point of view of managers or colleagues these arrangements may appear highly inflexible.

From the perspective of society as a whole, increased flexibility in the workplace may contribute to equal opportunity and may expand the potential workforce, leading to increased national productivity. However, it can also lead to underemployment and working poverty, which are damaging for the individuals affected and for society generally. While, in Australia, we rely on minimum hourly rates of pay to ensure a reasonable wage, employees on irregular hours have

correspondingly irregular income, which can lead to the inability to plan for the future, difficulty paying bills and difficulty securing finance such as home mortgages (Pocock, 2012).

A recent inquiry by the ACTU suggests that around 28 percent of the Australian workforce is in some kind of “insecure work” such as casual or contract work (Australian Council of Trade Unions, 2012: 14). This is backed by ABS data, which indicates that around 20 percent of the workforce is casual, and that almost another ten percent operate as independent contractors (Australian Bureau of Statistics, 2011b). In addition, there may be unintended consequences of workplace flexibility. For example, in responding to their employees’ desire for more part time work, an employer may engage numerous casual staff to backfill roles, simultaneously creating flexibility for existing employees and a new, secondary workforce which experiences all the downsides and none of the upsides of flexibility (Australian Council of Trade Unions, 2012: 5).

Even when employees are satisfied with flexible work arrangements overall, there are still some potential risks that need to be managed. For example, teleworkers may face increased levels of isolation, stress and pressure on their home life, and may end up paying hidden costs such as more expensive internet connections.

It is also worth noting that different aspects of flexibility are more important to different employees, and that prioritising one type of flexibility may inadvertently disadvantage some employees. For example, a flexible work policy that allows staff who work back late on an urgent project to take the following day off does nothing to assist a worker who is trying to balance their work and family responsibilities in a planned way. The challenge for managers is to move beyond an either/or approach to understand the types of mutually beneficial flexibility that works for employers and employees (DCA, 2012a: 10).

## Legislative framework

Recent legislation makes attention to workplace flexibility a requirement in many workplaces. The *Fair Work Act 2009* prohibits discrimination in the workplace on the basis of factors such as race, sex, age, family or carer's responsibilities, sexuality or religion. It also makes provision for "individual flexibility arrangements" to vary modern awards and enterprise agreements (Fair Work Ombudsman, n.d.).

In addition, the National Employment Standards which are part of the *Fair Work Act 2009* require all employers to consider employees' requests for flexibility: an employee who has been employed for at least one year and who has parental responsibility for the care of a child under school age, may request changed working arrangements to assist them to care for the child (Fair Work Ombudsman, 2011). While the legislation is framed in terms of a "right to request" rather than an absolute right to flexible work arrangements, the employer may only refuse the request on reasonable business grounds, placing the onus on the employer to give it due consideration. There is ongoing discussion regarding the possibility of expanding the right to request to additional groups of employees, such as older workers.

These legislative initiatives come on top of existing anti-discrimination laws, both State and Commonwealth, which apply either directly to the workplace or more generally across society. For example, the *Equal Opportunity for Women in the Workplace Act 2009* promotes equal treatment and the elimination of discrimination against women in organisations with over 100 employees. This Act is currently under review, with the aim of assisting employers to remove barriers to equal employment opportunity for women.<sup>6</sup>

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6. *The Equal Opportunity for Women in the Workplace Amendment Bill 2012* passed through the House of Representatives on 18 June 2012. Further information about relevant legislation can be found online at: Fair Work Australia [www.fwa.gov.au](http://www.fwa.gov.au); Equal Opportunity for Women in the Workplace Agency [www.eowda.gov.au](http://www.eowda.gov.au); Diversity Council of Australia [www.dca.org.au](http://www.dca.org.au); and Fair Work Ombudsman [www.fairwork.gov.au](http://www.fairwork.gov.au). See also: Sharp, Broomhill, & Elton, 2012.





# THE BUSINESS CASE FOR FLEXIBILITY

## TAKE THE FLEXIBILITY CHALLENGE

It is time for employers to imagine how flexible work can be the answer (or part of the answer) to the organisation's most pressing issues and concerns – and how flexible work can become (part of) the organisation's strategy for building on its strengths and taking up new opportunities.

For example:

If one of the organisation's **strengths** is that its staff members are typically very loyal and committed to their jobs, managers may discuss with older staff members whether flexible arrangements would encourage them to stay on rather than retire, so that the organisation can continue to benefit from their experience and corporate knowledge.

If one of the organisation's **weaknesses** is traditionally high fixed costs, managers may consider whether facilitating telework might enable savings on office space thereby reducing rental costs.

If one of the organisation's **opportunities** is to move into emerging markets in regional areas, managers may consider how establishing small offices based on high levels of telework may enable them to take up this opportunity more swiftly than their competitors.

If one of the organisation's **threats** is a potential staff shortfall in a tight labour market, managers may discuss with recruitment experts the kind of flexible work options most likely to attract and retain high quality flexible workers at the organisation.

## Pain or gain?

For an organisation, change is hard. Policies and practices, long-standing habits and unspoken assumptions, egos and personal attachments, carefully worded business plans and carefully chosen performance indicators: all of these tend to work together to protect the status quo. This is the case even when the status quo is manifestly unsatisfactory, let alone when “business as usual” is relatively successful.

Organisations change in order to avoid pain or achieve gain: to save money or improve profit margins; to protect themselves from losing staff to a competitor or to attract the best new recruits; to hold onto customers or to reach out to new ones.<sup>7</sup> The business case for flexibility is built on identifying how increasing flexible work helps an organisation avoid pain or achieve gain.

There is not yet widespread acceptance of the benefits of flexible work, although this is beginning to change. For the most part, flexible work is viewed as something of interest to employees, perhaps only to a specific sub-set of employees. In order to make the business case compelling, it needs to be made not just at the level of the economy as a whole, but specifically for each industry and indeed each organisation. On this point, flexible work is often viewed as relevant only to knowledge workers, or to white collar industries. Certainly flexible work looks different in different industries, but there is a business case for it even in the most blue collar workplace where employers face the same pressures around reduced workforce participation and increased productivity requirements as much as, if not more so, organisations in other industries.

Although organisations that have trialled flexible work options often report a positive ROI, improved staff performance or a significant competitive advantage (Barta, Kleiner & Neumann, 2012; World at Work, 2011), it is worth noting that flexibility is not necessarily cheaper than inflexibility. Certain types of flexible work options are costly, sometimes significantly: for example, transforming a traditional workplace into a fully flexible workplace is likely to involve a major investment in IT as well as asset costs and training costs. In addition to cost, employers may fear that increasing flexibility will mean added complexity, reduced commitment to or focus on the job, or radical changes to workplace culture. The business case for flexibility needs to be a cost benefit analysis, including careful consideration of the potential benefits as well as the budgetary impact.

The following sections identify some of the specific benefits which may flow from increasing flexible work. It is worth noting that very often multiple benefits flow from a single flexibility initiative. For example, implementing flexible work arrangements may save money by reducing the need for CBD office space as well as enhancing employee productivity.<sup>8</sup>

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7. Some businesses also respond to a third driver: the public good. For example, they may take account of benefits to society as a whole as part of triple bottom line reporting, other commitments to social and environmental sustainability, or to manage reputational issues.

8. See: The GPT Group, 2012b: 3, 9, 15; McMahon & Poccock, 2011; Macquarie University [www.mq.edu.au](http://www.mq.edu.au), 2012; Telework Australia [www.telework.gov.au](http://www.telework.gov.au), n.d.; Diversity Council of Australia, 2010; Equality and Human Rights Commission, 2009; Heron, 2010; Schumacher & Poehler, 2009: 169; Australian Institute of Management, 2012a: 20; Workplace Flexibility n.d.



## Talent management

Discussions about workplace flexibility often start (and finish) with a review of employees' increasing demands for flexible work options. The availability of flexible work options is an important feature in a workplace for both employees and potential employees as it offers the opportunity to:

- Help manage non-work demands, such as child care responsibilities.
- Follow non-work interests, such as sport and hobbies.
- Engage with the community, for example through volunteering.
- Carry out their work in ways which suit their personal work style.
- Achieve a better work/life balance.

Australia continues to experience relatively low unemployment, which means that the competition for workers—especially skilled workers—is strong. With the ageing of the population, the labour market is expected to tighten further over the coming decades: the Commonwealth Treasury projects that workforce participation will drop from 65 percent currently to less than 61 percent by 2050. In the same timeframe, the aged dependency ratio will rise from 20 percent to over 37 percent: this means that instead of five working age people to every person aged 65 or older, there will be less than three. These massive transformations of the workforce will commence almost immediately, as the oldest of the baby boomers are just reaching retirement age (Advisory Panel on the Economic Potential of Senior Australians, 2011: 24; Commonwealth Treasury, 2010: 1 & 10-1; NSW Treasury, 2011: ii).

Offering flexible work options gives an organisation access to a talent pool which is both wider and deeper.

The talent pool is **wider** as offering flexible work expands the range of potential employees to include greater numbers of older and younger workers, as well as workers with family responsibilities and workers who live at a distance from the organisation. It may also allow some staff to work a full time load, who could only manage part time work in a more traditional, inflexible workplace (Access Economics, 2010: 5).

Flexible work may also give an organisation access to a **deeper** talent pool, by enhancing its capacity to attract and retain the most talented people, who can afford to be

selective about where and how they work (Equality and Human Rights Commission, 2009: 5; Access Economics, 2010: i). In a recent survey of Australian businesses, workplace flexibility was cited as key to attracting and retaining employees across all generations (Randstad, 2011: 38). There is also a significant first mover advantage in implementing and marketing flexible work options in an industry. In addition, organisations may save between 15 and 33 percent of the annual salary of an employee through reduced recruitment, training and loss of productivity costs when an employee can be retained (Access Economics, 2010: 15).

Flexible work enhances an organisation's capacity to diversify its workforce, which brings significant advantages. Recent research into the financial performance of publicly listed companies in the USA and Europe demonstrated a correlation between significantly higher levels of diversity in executive and board roles and stronger performance as assessed by ROI and earnings (Barta, Kleiner, & Neumann, 2012: 1 & 3).<sup>9</sup>

There is now a well-established positive relationship between flexible work arrangements that give employees greater choice and greater control over how, when and where they work and human capital outcomes—that is, employee attraction, retention, satisfaction and engagement (DCA, 2012a: 24-5; WorldatWork, 2011: 33-42; Corporate Voices for Working Families, 2011: 11-12; Pocock, Skinner, & Pisaniello, 2010; Australian Chamber of Commerce and Industry, 2012: 10-1).

9. See also the recent surveys by Corporate Voices for Working Families (2011) and WorldatWork (2011) for further discussion of the ROI of flexibility.

## THE DIVERSITY DIVIDEND

Flexible work enhances an organisation's capacity to attract and retain a diverse workforce; *when well managed* this pays the "diversity dividend":

<b>Better decision making</b>	the organisation has the benefit of drawing on different perspectives and different ways of thinking from within its workforce when setting strategies and solving problems.
<b>Increased sustainability</b>	the organisation is better equipped to adapt to change, and less reliant on a particular type of worker or age cohort.
<b>Higher productivity</b>	the workforce is more engaged and motivated, leading to better outputs.
<b>Closer connection</b>	the workforce better reflects the organisation's customers and suppliers, bringing stronger engagement with customers and more effective business-to-business relationships.
<b>Wider reach</b>	the organisation has greater insight into new markets, locally and globally.

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## To commute or telecommute?

City employees are increasingly interested in reducing the time, cost and frustration involved in travelling to and from the workplace by working from home, either some or all of the time. Facilitating these requests can be an important part of talent management, however there are also other benefits to business which are worth considering.

There can be significant cost savings from reducing the amount of office space an organisation provides for its workforce. Office space is often under-utilised, including during peak business times when desks are empty because their "owner" is on leave, out with clients, in a meeting or working interstate. Even a small increase in the number of employees who telework may allow an organisation to reconfigure its office to reduce the amount of space required, which may result in major savings in rent, utilities and parking (Access Economics, 2010: 5; Laurence, 2012; The GPT Group, 2012a and 2012b; DCA, 2012a: 1-2; Hajkowicz, Cook, & Littleboy, 2012: 19).

Flowing on from direct cost savings, operating out of a smaller office helps organisations to relocate more cheaply and more easily. This may include moving

to lower-cost locations, or rolling out new offices to respond to new business opportunities (Access Economics, 2010: iv). As noted earlier, facilitating telework is likely to involve significant costs in new IT and training for staff in new ways of working. These costs need to be analysed in conjunction with the benefits in order for an organisation to determine whether, when and how to proceed.

Many organisations find that the IT solutions put in place to facilitate flexible work deliver significant reductions in travel costs. For example, travel for internal meetings can be reduced or even eliminated once employees are used to meeting by teleconference and videoconference. Perhaps more importantly, this also facilitates the use of "virtual teams", which optimise the use of existing internal human resources. Staff can be drawn together from different parts of an organisation, wherever they are located, based on their skills and expertise, rather than relying on face to face teams made up of staff who happen to be based near each other. This delivers greater productivity as organisations capitalise on staff capacities, as well as reducing the cost of staff travel (Rosen, Furst, & Blackburn, 2006: 229-30).



Telework may also assist organisations to manage risks associated with business continuity and disaster recovery. Organisations which are set up to allow staff to work from home are less dependent on a single worksite and on travel to a centralised location. They are therefore more capable of operating if there is an incident at or near their worksite, or if people are discouraged from commuting—for example, during a pandemic. In addition, telework helps to reduce an organisation’s environmental footprint, which may benefit the organisation directly, in terms of public affairs and employee engagement, as well as benefitting the community more generally.

The Australian Government strongly supports an increase in the proportion of the Australian workforce which teleworks, either regularly or occasionally. One of the objectives of the National Digital Economy Strategy is to double the proportion of teleworkers from around six percent to twelve percent by 2020 (Department of Broadband Communications and the Digital Economy, 2012). The Government’s investment in the National Broadband Network is part of facilitating this outcome, with savings expected to flow to Government across road, transport and infrastructure portfolios, as well as assisting with decentralisation initiatives (Access Economics, 2010: i).

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## Productivity

Along with participation and population, productivity is one of the “three Ps” of economic growth. A recent report from the Grattan Institute identifies the top economic reforms that would be most effective for enhancing Australia’s productivity: two involve increasing workforce participation, firstly of women and secondly of older people. The report argues that between them, these two strategies would increase the size of the Australian economy by around \$50 billion each year (Daley, McGannon, & Ginnivan, 2012: 38 & 50). While tax reforms aimed at removing disincentives to work are important, the Grattan Institute and other researchers acknowledge the link between flexible work and greater workforce participation (Daley, McGannon, & Ginnivan, 2012: 47, 55, 58; Boston Consulting Group, 2006; Access Economics, 2010: iii; Advisory Panel on the Economic Potential of Senior Australians, 2011).

Flexible work also assists organisations to increase their productivity. Despite some employers’ fears that offering flexible work options will lead to employees “slacking off” or losing focus on their work, flexible work can be a way of ensuring that the organisation produces the same outputs with less inputs (staff time), or more outputs with the same inputs. Implementing flexible work practices does not entail reduced expectations about the amount of work which can be done, or an acceptance

of poorer performance (McMahon & Pocock, 2011: 7). Instead, it can focus the organisation, team and employee more clearly on outputs and outcomes rather than inputs, on goals rather than processes. Understood in this light, the debate around flexible work sits squarely within the key debate around productivity.

In addition, flexible work may allow an organisation to deliver better services to its clients and customers. In part, this is the diversity dividend, whereby broader social representation within the workforce assists an organisation to engage better with existing and new customers. Flexibility also allows an organisation to build its work practices specifically around meeting customers’ needs, rather than simply reflecting past practice, old habits or ways of doing business which were appropriate in previous decades (Equality and Human Rights Commission, 2009: 5). For example, a major Australian bank has recently moved to implement flexible work in part to ensure that it can meet customers’ growing expectations to be able to do business with the bank outside the traditional 9 AM to 4 PM hours. Another example is Vodafone UK, which used its transformation to flexible work to increase its capacity to respond to clients’ needs, decrease the time it took to change its policies such as price plans, and develop itself into “a faster and more commercially agile business” (Laurence, 2012).

## A culture of innovation

Innovation is crucial to the success of an organisation, especially in Australia where production costs are typically higher and markets typically smaller than elsewhere around the globe. Innovation is the “dominant driver” of an increase in labour productivity and therefore economic growth, with the greatest proportion of innovation stemming from businesses interacting with their customers, suppliers and competitors (Department of Innovation, Industry, Science, and Research, 2009; Daley, McGannon, & Ginnivan, 2012: 16-7). Nevertheless, we note that in a survey recently conducted by AIM (Australian Institute of Management, 2012b) innovation was one of the areas of management capability in which Australian organisations assessed themselves as least capable.

In this context, the diversity dividend and talent management benefits which flexible work delivers may be expected to enhance an organisation’s capacity to innovate, as it enhances employees’ capacity to think differently, to collaborate with people who bring diverse views, leading to new ways of operating, new products and services, new markets, and new ways of reaching existing markets (Innovation & Business Skills Australia, 2010: 11).

Other researchers point to the importance of reviewing internal processes and structures to ensure that they match the organisation’s new and emerging activities. For example, an organisation may need to establish a cross-functional team to review a new proposal, or a dedicated unit to deliver an innovative project. A flexible workforce is more likely to be able to redeploy staff and other resources rapidly and effectively to respond to a new need. Larger organisations can remain nimble by ensuring that their work practices and processes remain flexible so that they can proactively innovate as well as respond to emerging issues (Christensen & Overdorf, 2011: 4, 10 & 14; Laurence, 2012).

While research into the links between innovation and workplace flexibility is an emerging field, there is already a demonstrated connection between an organisational culture of innovation and an organisational culture of flexibility. In addition, there is a connection between the creativity of individual employees and a culture of flexibility (Laurence, 2012). Proponents of activity-based workplaces, for example, argue that innovative workplace design and flatter organisational structures improve creativity, collaboration and ideas generation.



# STRATEGIES FOR MANAGERS

## Challenges and resources

It is clear from our consultation and the literature that the attitude and skills of managers are make-or-break factors in implementing flexible work arrangements (DCA, 2010: 3; Baird, 2010; Managing Work Life Balance International, 2010; Baird, Charlesworth, & Heron, 2010: 11; Heron, 2010).

There are a number of challenges for managers in implementing flexible work, which will differ workplace by workplace depending on factors such as the nature of the work undertaken by the organisation, and the types of flexible options available. The good news is that the skills managers require to manage flexible work effectively are similar to the skills required to manage in a non-flexible work environment. However, managers of flexible staff may find themselves drawing on certain skills more frequently when implementing flexible work arrangements.

Managers may need support in managing the implementation of flexible work:

- More training
- Improved skills in negotiation and communication
- Better performance management techniques
- Higher levels of organisation
- The capacity to coordinate complexity
- A strategic ability to see the long term benefits even if short term costs are looming large

Especially when implementing large-scale workplace flexibility, managers will need skills in change management. In addition, managers may be under constraints when implementing flexible work arrangements, and may need specific resources to implement flexibility effectively. It is important that managers have the skills to ensure that flexible jobs deliver benefits for both the employer and the employees: this means managers need to understand that not all employees have the ability, confidence or power in the workplace to negotiate their work arrangements.

The remainder of this paper identifies a range of challenges managers may face in implementing flexible work, outlines some practical strategies and real-life examples of handling those challenges, and sets out some of the skills managers may need.

## Getting the job done

A core management task is to identify the resources needed for any particular project, including the number of staff or the number of hours that will be needed. The challenge is not fundamentally different in a flexible work environment, however the arrangements may be more complex. Managers may need to:

- Ensure “coverage” for client-facing tasks.
- Juggle rosters.
- Carry out detailed forecasting of work volumes.
- Engage additional staff, possibly including casual or contract staff, to cover specific tasks or hours.
- Identify or engage staff who want to job-share.
- Introduce new performance pay arrangements, for example, for part time staff on bonuses.

A direct benefit for managers is that they may have the flexibility to bring in specific expertise for a particular project, or simply bring in additional workers to help get through a busy period, rather than relying on the permanent workforce to be able to deliver every project.

### IN PRACTICE:

An Australian mining company operating in remote locations uses part time drivers in three-hour shifts in the middle of the day. This allows the full time drivers to have a proper break and enables training and other development activities to be scheduled more efficiently, without stopping the trucks from rolling. The part time drivers are mostly women who are only able to work school hours whose partners work full time for the mining company, and for whom there are few other work opportunities in the remote townships. This type of flexibility offers mutual benefit to the employer as well as to both full time and part time employees (Workplace Flexibility workshop participant, *Gender Equity in the Workplace Summit*, July 2012).

Managers may need to establish guidelines for scheduling meetings. For example, if one or more employees work short days to enable them to drop off and pick up school aged children, it may be appropriate to ensure that meetings are not called before 10 AM or after 3 PM (AIM NSW & ACT, 2012a: 20). This may be relatively straightforward for regular team

meetings, but can pose challenges when ad hoc, or urgent, meetings are required. Where several staff work part time on different days, it can even be a challenge to find a time for a regular staff meeting. Equally, managers may need to set core hours to ensure that staff are available when required.

### IN PRACTICE:

A small website and branding agency sets core hours of midday to 2 PM to ensure staff are generally in the office during the day, but otherwise allows very flexible hours and locations of work. Staff are available to clients on their mobiles and laptops regardless of where they are working. These arrangements also mean that that the office can be staffed from 8 AM to 9 PM, extending services to clients (Equality and Human Rights Commission, 2009: 26).

#### IN PRACTICE:

A large international law firm introduced broad-reaching flexible work options including part time, job share, flexi time, rostered time off, and a range of parental and purchased leave initiatives. While the aim was to enhance employees' work life balance and increase staff retention, the firm was also able to improve the support provided to legal staff by managing support staff members' flexible work options to provide full coverage from 8 AM to 6 PM (McMahon & Pocock, 2011: 10).

In some workplaces, managers may need to do more than simply pay attention to part time and casual rosters or designing flexibility into individual workplans: they may need to re-engineer existing roles to quarantine some kinds of tasks into specific "on call" roles. For example, some roles require high levels of availability or rapid response times to urgent issues. Other roles include significant amounts

of overnight travel. Managers may need to consider whether it is possible to design roles without these kinds of tasks, in order to make them available to flexible workers. This will involve assessment of the impact on other staff of quarantining tasks, as well as the ability to attract or retain talented staff. It may also involve redesigning the way a whole team works, or an entire business activity.

#### IN PRACTICE:

The manager of a busy policy advice unit distributes work areas among staff so that skilled part time staff handle important policy portfolios which are less prone to crises requiring urgent response. This means that the unit as a whole retains the benefit of highly experienced team members, without a negative impact on clients or other staff members (interview participant, 2012).

In addition, managers may have to work with clients to manage their expectations about how their work will be undertaken. When a traditional workplace with few part time staff begins to implement flexible work, responsibility for specific clients may be shared across a team rather than focused on an individual staff member. This may be the case for internal clients as well as external

ones. An obvious up-side for the client is that knowledge about their project, casefile or priorities is no longer concentrated in a single individual. This may enhance service levels by ensuring that work continues even if the individual is absent or leaves the organisation, however it may involve a shift in thinking from the client who may be used to dealing exclusively with "their" contact.

#### IN PRACTICE:

A large international law firm discusses with clients their expectations of 24 hour access to legal advice, in order to optimise staff members' access to flexible work. While some practice areas are not suitable for part time work arrangements, the firm offers telework or other options to staff. In negotiating client expectations, the firm is able to demonstrate increased access to legal advice, improved response times for urgent matters and enhanced service through ensuring that more than one staff member understands the client's business (McMahon & Pocock, 2011: 11).

In some contexts it may be necessary to implement new, sophisticated monitoring strategies to account for the diverse combinations of weeks, days and hours worked. In addition, some organisations may need to adopt new approaches to

remuneration structures and performance measurement which reflect outputs rather than inputs and which are appropriate as pay structures and career streams become less standardised (Boston Consulting Group, 2006: 16).

#### IN PRACTICE:

In introducing flexible work, a large international law firm has shifted some partners and other senior personnel to a remuneration model based on outputs including clients' results and value-based billing. This represents a significant departure from the industry norm of measuring performance and determining pay based on inputs such as billable hours (McMahon & Pocock, 2011: 11).

Managers need high level organisational and communication skills to manage effectively a team consisting of flexible workers, and to ensure that the benefits outweigh the time and cost involved. Even more so than in traditional workplaces, in a flexible team the burden of ensuring projects are on track, and keeping all the jigsaw pieces in place, falls to the manager. In such a complex operating

environment a manager may spend more time trying to keep in contact with staff and find that they have less time to spend on other management tasks. Along with the requirement to deliver the business plan, managers of flexible workers also need to ensure that coherent corporate values and cultures are not lost (Boston Consulting Group, 2006: 16).

#### IN PRACTICE:

One very senior executive recalls her practice from several decades ago when she kept track of multiple part time staff by writing where everyone was and when everyone worked on a whiteboard in her office. Now there are electronic solutions to the same problem, such as shared access to diaries (interview participant, 2012).



## Intensification of work

Managers may need to address the issue of the intensification of work directly with their staff, to ensure that flexible work practices do not exacerbate the issue (Pocock, Skinner, & Pisaniello, 2010; Fear & Denniss, 2009; Fear, Rogers, & Denniss, 2010; Fear, 2011). For example, it is often reported by staff who move from full time to part time work that their workload is not reduced to match their new hours, or that work activities leak into their non-work time. New technology, while enabling flexible work, also carries the risk of further work intensification. Managed poorly, the use of smart phones and laptops can lead to part time workers effectively working full time, or being on call full time. This can be exacerbated if part time workers are made to feel guilty or “lucky” for working flexibly: they may feel compelled to make themselves available, to demonstrate that the arrangement is working.

Of course, work intensification is potentially an issue for all staff, and is not inherently linked to flexibility. The increase in flexible work arrangements, however, may help to reveal the scale of the issue. The introduction of flexibility may be more contentious in workplaces where “full time work” actually means excessive work. Managers may find that addressing workloads for flexible staff facilitates the same process for full time, on site staff. Some employees may choose to work full time in a highly flexible way, rather than be paid to work part time but end up working a full time load.

While it may be tempting for managers to let flexible staff overwork, with short term productivity gains in mind, over the longer term intensification of work carries with it a risk to employee health, well being, satisfaction and engagement, and a consequent negative impact on productivity.

### IN PRACTICE:

A senior manager in a community services agency works highly flexibly, including teleworking and working irregular hours. She makes a point of telling her staff that she does not expect them to match their hours to hers. For example, if she emails a staff member late in the evening she does not expect a response. She ensures that her staff work appropriate hours, whether they are working full or part time (interview participant, 2012).

Encouragingly, much of the research has established a positive relationship between workplace flexibility arrangements that give employees greater control over when they work, where they work and how they work, and employee health, well-being, satisfaction and engagement. These improved employee outcomes are then seen to convert to improved workplace productivity, financial performance and client outcomes.

Managers need to discuss with their staff what full time work means as well as what is expected of part time staff, and how to set boundaries between work and non-work which reflect new ways of working, including

when it is reasonable to say no to requests such as late meetings or overnight travel. In addition, managers need to establish agreed “etiquette” for the use of emails, texting and so on, including reasonable expectations around response times and guidelines for contacting part time staff outside of their agreed hours. Some of our interview participants report having an “internal ledger” by which they keep track of how much they have worked or how much progress they have made on their workplan. Managers need to assess the capacity of individual staff to determine how to help them monitor their “ledger” or whether to institute a more formal system.

## How can I see what you're doing if you're not here?

Along with working part time, working from home is a common form of flexible work. This may include staff negotiating the option of working from home on an occasional basis or for particular types of projects, as well as staff who regularly spend most or all of their work time either at home or at an alternative worksite; that is, teleworking. The increased availability and affordability of smart phones, laptops and internet access make teleworking a viable option for many employees (Telework Australia [www.telework.gov.au](http://www.telework.gov.au)). Telework is, of course, taken up in ways other than working from home as employees make increasing use of other places such as cafes and public spaces for meetings or individual work.

There are a range of management challenges that come with this, primarily relating to supervision and performance measurement. Some types of work require the employee to be “on site”, however even in those circumstances just being at work is insufficient evidence of doing your job: “Presence does not equal performance” (Equality and Human Rights Commission, 2009: 14). Arguably, the same approach should be taken to monitoring the performance of full time, office based workers.

Telework is more likely to succeed where there is:

- Appropriate information and communications technology to allow remote supervision
- Effective communication between the manager and staff member, where training has been undertaken
- Realistic expectations about the amount of face to face time (Staples, Hulland, & Higgins, 1999: 759).

Many of the case studies in the literature identify that trust is important, with some going as far as suggesting that only particularly trusted employees make candidates for teleworking (McMahon & Pocock, 2011: 30; Diversity Council of Australia, 2010: 3; Schumacher & Poehler, 2009: 170). While trust is important in the workplace and is a key part of the culture which helps make flexible work successful, we believe that managers need to make use of the skills and tools of management to supervise off-site staff, rather than simply relying on feelings of trust.

AIM has identified a number of issues for managers to consider when assessing whether teleworking may be appropriate.<sup>11</sup> These include:

- The nature of the tasks to be performed.
- The resources and support required to perform the tasks.
- The employee's style of work.
- The availability of communications and other technology.
- Legal issues such as health and safety and workers compensation.

Supervision of staff working flexibly requires managers to take an explicit focus on objectives, outcomes or outputs, rather than activities or inputs. For example, taking the stated objectives of the organisation as a whole, the manager may identify specific objectives for each staff member to achieve within agreed timeframes. The manager may set more closely defined objectives for employees on flexible work arrangements to assist with monitoring progress, or may establish more frequent formal updates, in recognition that there is less opportunity for informal supervision and appraisal.

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11. AIM provides training in managing virtual and remote teams.

### IN PRACTICE:

The success of a major property services company's implementation of highly flexible work spaces and increased teleworking was facilitated by the fact that the company already had in place a performance system based on key performance indicators for each staff member. This made it relatively straightforward to continue to monitor staff performance when they could be working anywhere (The GPT Group, 2012b).



Alternatively, a focus on objectives may also be achieved through developing a business or operational plan for the organisation or team, with sufficient level of detail to guide staff members' work.

This may form the basis of weekly supervision or team meetings, against which progress is measured both at an individual and team level.

#### IN PRACTICE:

The manager of a large team working in multiple offices and teleworking uses weekly teleconferences to monitor team performance. The meetings are structured closely around the team's business plan and staff members' individual workplans. Each staff member reports on their activities from the previous week, their plans for the coming week and the resources and other assistance they will need. This allows all staff members to understand what their colleagues are working on and how it relates to their own work, as well as providing regular progress mapped against the business plan (interview participant, 2012).

As for all staff, managers of teleworkers need to consider personal style and work preferences in order to determine the most effective supervision strategies. For example, an individual staff member who works best when uninterrupted may appreciate contact via email rather than a phone call.

It is crucial for managers of teleworkers to be:

- Good communicators, especially good listeners
- Good at helping remote staff communicate amongst each other
- Good at helping their staff manage their time effectively
- Good at understanding remote staff members' needs in relation to support and social activities.

Where managers have these skills, staff exhibit higher performance and experience higher job satisfaction and lower levels of stress (Staples, Hulland, & Higgins, 1999: 772).

There is a spectrum of views on combining telework with family responsibilities. Ad hoc requests to work from home are often driven by the need to take care of a sick child, for example. Rather than taking the day off, the employee may agree with their manager to work from home. However, formal teleworking arrangements are usually premised on the basis that the teleworker will not undertake any other activities including childcare. A separate, but linked, issue is the need for more flexible childcare including work-based childcare or facilitated access to other childcare, as part of the suite of flexibility options an employer could provide.

#### IN PRACTICE:

A large Australian bank offers employees with pre-school aged children priority access to a number of high quality childcare centres. This assists employees to manage work and family responsibilities better (McMahon & Pocock, 2011: 26).

Where a manager works flexibly, or at a distance from some or all of their staff, the situation may become even more complex.

Staff need to know how and when they can contact their manager.

#### IN PRACTICE:

A senior manager who works flexibly including teleworking and whose staff work out of multiple offices uses shared access to her calendar to stay in effective communication with her team and executive colleagues. She uses colour codes to signal when she will be in the office (and which one); when she is uncontactable because she is in a meeting or attending to family responsibilities; and when she is available by phone (interview participant, 2012).

## Flexible spaces

In addition to creating the opportunity for staff to work from home or off-site, some organisations find it useful to recreate work spaces within the workplace to enhance flexibility. By analysing the type of work undertaken and the facilities employees

need to carry out their work most effectively, organisations can create flexible workplaces which increase productivity and efficiency, and which may reduce the amount of office space required.

### IN PRACTICE:

A major property services company completely remodelled their CBD head office to provide a combination of small “hotdesks”; quiet spaces for uninterrupted work; formal and informal collaborative spaces where several colleagues can gather together to work on a project jointly; large meeting rooms equipped for face to face conferences and teleconferences; and small meeting rooms which can be booked for interviews or similar. Staff are provided with a locker, a mobile and a laptop which can be logged on at any hotdesk or other workspace; by logging on, the internal communications system automatically transfers calls to the correct workspace and allows staff to locate each other (The GPT Group, 2012a and 2012b).

Implementing flexible spaces throughout the workplace requires mainstreaming of flexible work: it affects all staff and requires new types of communication; new technology; appropriate staff supervision and performance management practices; and new file storage and other administrative practices. However, managers may find that they can make smaller changes to enable the workplace to be used more flexibly. This may be as simple as dedicating a spare office or small meeting room as a silent work space.

A benefit of providing different types of workspaces in the workplace, as well as facilitating telework of other kinds, is that it encourages staff to give closer consideration to the nature of their work and their preferred styles of work. Instead of just showing up at the office every day and sitting at their desk, staff have the opportunity to select the right workspace for the tasks they are to perform: they may choose to spend the morning in a quiet space, to finish writing a report without distraction, then return to their desk for the afternoon to ensure they are available to talk to colleagues as required; alternatively they may choose to work from home and

attend the workplace primarily on days when they have face to face meetings or wish to use one of the collaborative workspaces to progress projects with colleagues.

This type of flexible use of the workplace may seem unusual in the world of work, but it is very common in the world of higher education. University students may attend campus for formal learning in a lecture, seminar or tutorial (often using different spaces); may attend campus to use the library or laboratory either alone or with fellow students; may work from home or other locations such as cafes; may log onto online seminars or student discussions from home; and may attend campus for a combination of social and study purposes. This type of flexible work is so normal in the sector that it is not even considered teleworking or flexible working: it is simply how it happens.

Organisations which have implemented this type of flexibility find it leads to increased productivity, increased ability to attract high quality staff, higher work commitment and a more creative and collaborative workplace culture (The GPT Group, 2012a and 2012b; Laurence, 2012).

## Colleagues and teams

When one or several employees work flexibly, this affects not just the staff member and their manager but also their colleagues. A key role for the manager is to identify and resolve any issues which may arise from this. While some colleagues may be supportive, others may take a negative view of the flexible work arrangements (McDonald, Bradley, & Brown, 2009: 151). Colleagues may:

- Feel that a colleague working flexibly is not as committed to the job, or is unreliable.
- Lose contact with them as they are not at the workplace as often.
- Feel jealous, especially if some staff have access to flexible work arrangements while others do not.
- Feel resentful and perceive that their own workload is increased as a result of a colleague working flexibly.

Some of these perceptions may be grounded in reality. For example, as noted earlier, unless managers are careful to set workloads appropriately for all staff, it may be the case that full time workers are expected to pick up additional work, or cover for part time colleagues. Alternatively, colleagues' negative perceptions may bear no relation to the flexible worker's actual performance. For example, colleagues may believe that a

staff member who leaves the office at 3 PM is knocking off early, even though the staff member works additional hours from home each evening. Either way, colleagues' attitudes have a great deal of impact on the success or otherwise of flexible work arrangements.

Colleagues' views are particularly important where staff members work closely, such as in a small team or on a specific project. In these situations, performance may be largely measured at team level or by the success of the project as a whole. It is important for all team members to appreciate the contribution of each of their colleagues, and not to fall into the trap of measuring inputs such as hours in the office. This issue is exacerbated in workplaces where there is an expectation, spoken or otherwise, of working unpaid overtime.

It is also important for all team members to understand and be comfortable with the way the team communicates, for example, using teleconferences rather than face to face meetings (Schumacher & Poehler, 2009: 174-6). Managers may find it useful to canvass the team's views about what they need and how the team's work can best be undertaken, to maximise the advantages to be gained from flexible work as well as managing the difficulties.

### IN PRACTICE:

A manager at a workplace with highly flexible work arrangements and workspaces ensures that his team has a "local neighbourhood" where staff members' lockers and paper files are kept. Staff are encouraged to use this location as a base but to select their workspace based on the nature of their tasks. Staff deliberately choose to work together in collaborative spaces as required, rather than relying on proximity as a substitute for effective communication (interview participant, 2012).

A workplace culture where issues can be raised openly and addressed professionally helps minimise potential negativity. In addition, colleagues' attitudes to flexible work are easier to manage when flexibility has become mainstream within the organisation. This prevents the jealousy which may arise

from the perception that flexible work is a benefit only offered to a few employees, or to certain kinds of employees. Equally, it is important for flexible work to have the explicit support of senior people within the organisation, including the board and executive team.

Formal policies supporting flexible work can assist, but they are unlikely to be sufficient to resolve colleagues' concerns. On the positive side, the existence of a flexible work policy which allows any staff member to request changed work arrangements may go some way towards ensuring that staff do not perceive flexible work as a special condition or favour available only to certain employees.

On the other hand, even the best flexibility policy means nothing in a workplace where the culture dissuades staff from using it. By establishing or revising a written flexible work policy, managers may simultaneously address the issue of workplace culture, for example, by seeking their CEO's support as a champion of flexibility both within the organisation and in their industry.

#### IN PRACTICE:

An Australian manufacturing and distribution company in the construction industry sought to employ more women to diversify its workforce and address skills shortages. The CEO champions the program, including actively promoting the company and the industry as a positive career choice for women. The company works with the industry body and Government agencies to achieve this (McMahon & Pocock, 2011: 23).

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## Meet me online

In a traditional workplace with little or no flexibility, employees may communicate with colleagues in a variety of ways. Managers of staff working flexibly may need to work with their staff to ensure that they continue to communicate effectively with their colleagues.

A first challenge is in relation to meetings: in a flexible workplace, some or all face to face meetings may be replaced with teleconferences, videoconferences or alternatives to meetings. This can take some getting used to, especially for staff members who are not confident with new technology. In addition, the research indicates that there is a noticeable reduction in the richness of communication in videoconferences and especially teleconferences (Rosen, Furst, & Blackburn, 2006: 231). The situation may be even more complicated for managers of teams where staff never meet face to face, for example, when managing virtual teams with staff located in different cities or even countries.

The style of meetings may need to change: even more than face to face meetings,

teleconferences work best with a firm agenda, papers circulated in advance, clear decisions and expectations for follow up, and minimal side-discussions (DeRosa, 2011). Managers may also need to ensure that face to face meetings are as efficient as possible, to limit their number and length. This helps both with scheduling, and with ensuring that part time staff do not spend a disproportionate amount of their work time on regular administrative tasks and events.

Researchers investigating the increase in virtual teams suggest that managers may need to ensure that virtual teams commence with face to face meetings, and/or engage in joint planning for the team including clarification of each team member's specific role within the team. Managers may also need to arrange group training in the use of technology, and work with their team to set expectations about how the technology will be used and reasonable response times. In addition, managers may need to consider how to build trust and ensure that team members understand how to resolve issues (Rosen, Furst, & Blackburn, 2006: 230-1; Boston Consulting Group, 2006: 16).

### IN PRACTICE:

An international cruise company piloted a telework initiative whereby some of their call centre staff would work exclusively from home. In order to ensure consistency of service, reduce isolation and maintain communication amongst the home-based workers, the company provided several avenues for communication including social media, instant messaging, online training and monthly on-site meetings. During the pilot, managers also ensured that staff had regular opportunities to discuss how they felt the initiative was working. Staff involved in the pilot reported that they communicate better than on-site workers, and feel more connected to the company despite working from home (McMahon & Pocock, 2011: 30).

In highly flexible work environments, the challenge may require new answers. For example, managers may consider alternatives to meeting attendance, such as using document-sharing to gather team members' comments, or designating a team member to consult with their colleagues individually. Where necessary, agendas and minutes can be circulated to those who do not attend a face to face meeting. Managers may work with staff to determine which meetings are "must attend" and which are "nice to attend", rather than simply requiring all staff to attend every meeting.

In considering the options, it may be useful to reflect on the way boards of directors operate. In many cases, board directors are not located on site. They may come together regularly for face to face meetings, or they may use electronic substitutes some or all of the time. Either way, because of the formal nature of board meetings, the chairperson ensures that it is clear who is in attendance, who is speaking, what decision has been taken and how it is to be recorded in the minutes. In addition, boards may share access to board papers through web-based

systems with secure log-ins, and conduct business out of session, for example by responding to urgent issues via email.

In addition to meetings and other formal types of communication in the workplace, employees communicate via a range of other less formal means such as chatting with a colleague at their desk or in the corridor, catching a colleague after a meeting to discuss an issue or make arrangements to discuss it later in the day, and other incidental and often accidental but nevertheless important contact. Managers have a role to play in ensuring that the need for communication is appreciated, and that the tools exist to facilitate this. For example, where many staff members work flexibly a manager may arrange for staff to use communications software which allows individual staff to signal in real time whether they are working, the location from which they are working and how they can be contacted. Ensuring communication is effective is not just useful for the employee, but benefits the employer as it helps build corporate knowledge and corporate culture among flexible workers.

### IN PRACTICE:

A senior employee who works part time actively seeks out one or two colleagues for a quick chat, to ensure she stays in touch with what happens in the workplace (interview participant, 2012).

#### IN PRACTICE:

A part time employee in a large business services company schedules “unscheduled time” in her diary on days she is in the office, to ensure that she does not miss out on incidental contact with her colleagues. She takes this time as seriously as a formal meeting, as much of the company’s work is undertaken through informal, cross-functional teams (interview participant, 2012).

#### IN PRACTICE:

A manager in a very large electronics company works flexibly and manages a team located across multiples sites. She schedules frequent short phone calls with staff members, as a replacement for “accidental” contact such as dropping by a colleague’s desk (Equality and Human Rights Commission, 2009: 30).

In addition, when staff are on extended leave, such as maternity leave, managers may make arrangements for them to receive updates periodically, to retain their log in rights so they still receive staff emails, and

to be invited to key staff events. Managers may need to negotiate aspects of these arrangements with administration or human resources teams, or establish new policies and procedures.

#### IN PRACTICE:

A health and aged care agency has established a parents’ network, to ensure that employees on parental or other extended leave can stay in touch with each other and the agency. This helps mitigate against loss of skills, loss of job confidence, or the social side of being employed (DCA, 2012d: 5).

## Negotiating flexibility

Whether managing an individual staff member working flexibly, or managing in a workplace characterised by flexible work arrangements, managers need skills in negotiating and monitoring such arrangements.

The negotiation may require balancing competing interests of several employees, and ensuring all employees are treated fairly. Transparency in decision making and clear communication are likely to assist all staff to feel fairly-treated.

### IN PRACTICE:

One of the “big four” Australian banks aims to support employees with family responsibilities, and has implemented flexible work options to facilitate this. The bank takes seriously the need for all staff and managers to understand flexible work as one of its values. To this end, regular compliance training for all staff includes a module on diversity practices, and new managers specifically receive training in managing diversity (McMahon & Pocock, 2011: 27).

### IN PRACTICE:

An engineering and production company in the UK proactively offered flexible work arrangements to a staff member when his first child was born. The company believed that flexible work would be of great benefit to the staff member, and that negotiating flexible arrangements would help them to retain him rather than lose him to a competitor (Equality and Human Rights Commission, 2009: 8).

Formal policies regarding the flexible work arrangements which are available in the workplace, and processes for accessing these, may assist managers in their role. Policies make it clear when and how flexible work can take place, and ensure that all workers have the opportunity to request flexible work. This makes it easier for managers to negotiate flexible work arrangements, as flexibility is not considered a special privilege or reward for effort.

The use of formal policies and procedures does not, however, reduce the need for

informal flexibility from managers. For example, noting that flexibility means different things to different people, some staff may not be interested in working part time but may find it valuable to be able to arrange time away from the office on an ad hoc basis, for example, to attend an appointment or pick up a child. Indeed, the introduction of formal flexibility policies may inadvertently hinder informal flexibility arrangements which may be working very effectively. Managers may need to take this into account when negotiating flexibility, and to ensure that flexible work does not end up being inflexible.

### IN PRACTICE:

A busy advertising and promotions agency provides staff with two half-days “personal time” per month as part of its flexible work arrangements. This time off is expected to assist staff to manage their work life balance by making it possible to schedule personal appointments during work hours, however staff are required to give a week’s notice in applying for the time off. A manager in the agency makes sure that his staff members understand that they can still make informal requests for time away from the office, for example, to attend to an urgent personal or family responsibility (interview participant, 2012).



When negotiating flexible work arrangements with a staff member, it is worth keeping in mind that the staff member may simultaneously be negotiating the arrangement with their family or other important elements of their life. For example, where two parents share childcare responsibilities, the flexible work

arrangements agreed with one parent need to be compatible with the other parent's work practices. When implementing flexible work, some organisations consult not just with their employees but also with their employees' families, to ensure that their views are taken into account.

#### IN PRACTICE:

A large construction company determined that it needed to introduce better work/life balance for its employees. In order to understand its employees' needs and interests it distributed a confidential survey to its employees and their partners. Both sets of responses were taken into account in analysing the impact of work on employee's non work responsibilities and activities, and designing flexible work arrangements (McMahon & Pocock, 2011: 4).

Managers need to consider who is likely to be affected by flexible work arrangements, and may therefore need to be informed or consulted. Even in situations where the introduction of flexibility is relatively minor or limited to a small number of workers, the principles of change management may be useful: identify stakeholders and consult with them to understand their views, engage them in the change, and seek their support. For example, a manager may hold a team meeting to gauge colleagues' perceptions of a flexible work proposal, and take their views into account in finalising the new arrangement.

Engaging with stakeholders helps the outcome to be more widely accepted, and makes it clear from the start that communication is welcome. Communication may need to be ongoing, to ensure that any issues are identified as they emerge and are addressed promptly. Ongoing communication about the new arrangements may also assist with demonstrating management support, thereby minimising negative responses from colleagues. Some organisations find that active promotion of flexible work arrangements, both within the organisation and externally via industry forums, helps with implementation.

#### IN PRACTICE:

A large construction company determined that it needed to introduce better work/life balance for its employees. To lead implementation of the transformation project, the board and directors were actively involved in initiating the changes, participated in training of managers and promoted the project internally and across the industry (McMahon & Pocock, 2011: 4-7).

While it is important to appreciate that there are many different drivers of flexibility, it would be a mistake to focus too heavily on the actual reason why an individual employee seeks flexible work. It does not matter whether an employee wants to work flexibly to meet childcare responsibilities, take up a hobby, volunteer at the local community centre or build additional recreation time into their week. An attempt to classify valid reasons for seeking flexible work is likely to divide the workplace and make it more difficult for flexible arrangements to succeed.

Managers may need assistance, for example, from HR staff, in negotiating flexible arrangements which benefit both the employee and the employer. For example, HR may broker arrangements between the manager and the staff member, help establish shared expectations, or assist with developing ways to assess how well the arrangements are working. In negotiating flexible work, managers may wish to set a trial period, after which the arrangements can be assessed and adjusted if necessary. This assessment may take into account the impact on colleagues, clients and managers.



#### IN PRACTICE:

An Australian university with a long commitment to flexible work provides information and support to managers negotiating work arrangements. Its HR teams provide advice and coaching to managers to help them improve communication and allocate equipment and facilities. The HR teams also assist with workforce planning including staff retention and ensures that managers implement flexible work arrangements appropriately (McMahon & Pocock, 2011: 16-8).

#### IN PRACTICE:

In seeking to establish a major telework initiative for call centre staff, an international cruise company selected skilled staff for a pilot program. Criteria included at least six months service with the company, a record of successfully working flexibly, good communication skills and a low error rate. The pilot program was thoroughly researched and led by a skilled manager. As a result, potential problems were identified and managed during the pilot, and its success means that it has been expanded (McMahon & Pocock, 2011: 30-31).

#### IN PRACTICE:

A large health and aged care agency ensures that its flexible work arrangements are effective for both the agency and its staff by providing guidelines and checklists for managers and employees to structure discussions. For example, managers and employees discuss parental leave processes and additional leave options during school holidays for parents. The agency also provides employees with access to specialist advice regarding childcare (DCA, 2012d: 4).

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## Who has time for all this?

Managers may be forgiven for thinking that the introduction of flexible work practices will add to the complexity of their role and require them to divert precious time away from other pressing management tasks.

In addition to the ongoing tasks involved in managing in a flexible work environment, managers may find they need to dedicate time to re-thinking work practices.

For example:

- What alternatives to face to face meetings might work for the organisation or team?
- Which tasks might suit teleworking?
- What new communication methods might help keep colleagues in touch with each other?

Managers may find it helpful to take the “flexibility challenge” outlined above: spend time thinking through the outcomes which the organisation or team aims to achieve, and how these might best be achieved in a flexible work environment. Where time permits, or where the organisation is embarking on a major shift to flexible work arrangements, this may involve a significant strategic planning process. However it may also be as simple as referring to the organisation or team’s existing business plan, objectives or performance indicators.

#### IN PRACTICE:

When considering staff members' requests for flexible work, including decreasing hours and shifting to working from home some of the time, the manager of a small but busy policy advice unit started by reviewing the unit's operational plan. She considered the unit's objectives, against which it would be assessed each year, and identified that the unit's performance on some of those objectives would be enhanced by engaging a more diverse team of advisers. She prepared a business case outlining the new skills and perspectives which could be brought into the team by approving existing staff members' requests for part time work and spending the surplus wages budget on additional project staff (interview participant, 2012).

Often it is not just time, but also money which is in short supply. Managers may be required to demonstrate the benefits of implementing flexible work arrangements in a business case, compare different types of flexibility, or undertake a cost benefit analysis. In organisations which move to implement flexible work, managers may find that it becomes one of their key performance indicators, against which they must report on progress or initiatives. Managers may need additional training or skills in order to carry out these tasks associated with flexible work.

To complicate matters further, managers may find that a requirement to implement flexible work contradicts other key performance indicators. For example, a manager may be under pressure to deliver more part time options for employees while at the same time under a competing pressure to reduce staffing costs. While there may well be longer term productivity benefits to offering part time work which the manager can demonstrate, this may mean little compared to short term budget issues.

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## Promoting flexible careers

Managers of staff who work flexibly need to consider their staff members' training, development and promotion opportunities. As noted earlier in the paper, flexible workers are often inadvertently or deliberately restricted from progressing in their careers. Managers need to identify any work practices, policies and attitudes which may hold back flexible workers. For example, a common perception is that flexible jobs are inherently less skilled, and therefore that

workers on flexible work arrangements have less to offer. To combat this, managers need to ensure that flexible employees are invited to training courses and other professional development opportunities. This may mean adjusting the way in which training is offered, for example, by holding training sessions on multiple days to facilitate attendance by part time or teleworkers, or by offering online versions.

#### IN PRACTICE:

A large international law firm offers a wide range of flexible work options. In order to ensure that staff working less than full time hours, or teleworking, have access to the same professional development opportunities as full time, in office staff, the firm delivers training sessions on more than one occasion (McMahon & Pocock, 2011: 12).

In addition, highly committed flexible workers may be tempted to self-exclude from professional development or training opportunities as they feel they do not have sufficient time to fit it into their schedule. Managers need to be alert to this, and to communicate with their staff to ensure they take up the opportunities available to them.

Restricting a flexible worker's access to opportunities does not just have negative consequences for the worker: the manager and organisation as a whole also miss out on the skills and experience of the worker. Senior managers may need to make specific arrangements to facilitate promotion of flexible workers into management roles.

#### IN PRACTICE:

A manager in a large Government agency works three days per week. He has an arrangement with a colleague, who acts as a contact point in the manager's absence. The colleague fields inquiries and "triages" them into matters which can be handled on the spot without the manager; matters which can wait until the manager returns; and matters which are both urgent and important and therefore need to be escalated to a senior manager. The manager is conscientious about ensuring that his colleague's workload is appropriate and able to include this triage function. He is also careful to ensure that other staff and his own senior manager understand the arrangement and are happy to use it (interview participant, 2012).

In addition, managers need to ensure that staff who want to progress their careers do not feel inhibited from accessing flexible work options. This may include walking the walk,

by making use of flexible work arrangements themselves and encouraging other senior staff to do the same.

#### IN PRACTICE:

A young graduate with a high level of commitment to their employer and a strong desire to progress their career was uncertain about accessing the "purchased leave" arrangements offered by their employer as they felt it might jeopardise their promotion prospects. The graduate's manager sought out two senior executives from the agency who had used flexible leave during their careers to reassure the graduate that taking up flexible work was not viewed as a reduction in commitment (interview participant, 2012).

Our purpose in providing 'in practice' examples has been to offer some guidance on how the management challenges associated with flexible work arrangements may be effectively handled. Over time, AIM

intends to produce management tools that will complement the training we currently offer and provide further guidance on managing in a flexible work environment.

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