

Flexible futures: Flexible working and work-life integration

Summary findings from stage one of the research

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Foreword

‘Lack of flexibility is a major reason why some Chartered Accountants are thinking of leaving their current jobs and is even more frequently mentioned than long hours.’

This is perhaps one of the most important findings in the first stage of the ‘Flexible Futures’ project.

I am delighted that the Centre for Business Performance of Institute of Chartered Accountants in England and Wales has decided to sponsor this important piece of research, which demonstrates our commitment, as a profession, to supporting our existing members and finding ways to continue to attract a stream of talented and motivated young people. The Institute’s WORKPLACE initiative aims to help members to adapt to the rapidly changing world of work. As Chairman of the initiative, I know that I can speak for my colleagues when I say that these are among our major concerns for the future.

As Chartered Accountants, we all recognise that there are times when we must work extra hours to meet deadlines, or to deal with peaks in our workloads. Yet few of us, I believe, like to feel that our working hours and the location of our work are constantly out of our control. We all have interests and commitments outside the world of work.

The first phase of the research reflects a real concern that failing to comply with the stereotypical office-based, long-hours culture is detrimental to the individual’s career. Even acknowledging a desire to do anything else appears to be a risk. Young people, in particular, are telling us that they want to work more flexibly and they want a life outside work. We ignore them at our peril.

The ‘Flexible Futures’ research project will help us to identify the areas where we, as a profession need to examine the way we work. I hope it will help us to find ways to enable us, as Institute members to achieve better integration between our work and non-work lives so that we can provide the best possible service to our clients and colleagues. Most of all, I hope it will help us to ensure that the profession continues to attract the kind of people who have enabled it to earn its reputation for excellence. I look forward to phases 2 and 3 of the ‘Flexible Futures’ project with interest and anticipation.

Kathryn Britten
Chairman, WORKPLACE
March 2001

Background

- There is a growing recognition that the opportunity to control how time is allocated to work and personal life is good for people and therefore good for business and professional practice. This approach to work-life integration provides challenges and opportunities for innovative and flexible ways of working.
- This summary presents the findings of the first stage of a systematic study of flexible working practices in the accountancy profession, undertaken by researchers at UMIST School of Management and Manchester Metropolitan University which has been sponsored by the Centre for Business Performance. There is no attempt to explain or draw conclusions about the findings, as these will be the focus of later stages of the research.
- Flexible working is defined here as any policies and practices, formal or informal, which permit people to vary when and where work is carried out. Flexibility does not mean a reduction in hours of work, although this could be one of many flexible options. The study also examines the length of working hours and implications for work-life integration.
- The research objectives of this first phase of the research were to:
 - examine the demand for flexible working practices and identify any variations among different groups of Chartered Accountants;
 - examine the extent and nature of flexible working practices and gaps in provisions and to begin to identify aspects of leading-edge practice;
 - monitor the effects of current working hours on Institute members and to monitor the potential business impact; and
 - identify key areas for investigation in later stages of the research.

These objectives were addressed via:

- a questionnaire sent to a random, representative sample of 3000 members of the Institute. Questionnaires were returned by 670 Chartered Accountants, a response rate of 22% which is excellent for this busy professional group. The final sample reflects the Institute's ratio of men to women (70 to 30) and includes members in business as well as in practice; and
- a telephone survey of people working in human resource management within the accountancy profession. Participants included HR professionals in larger organisations and Chartered Accountants with responsibility for HR issues mostly representing the smaller organisations.

Key findings

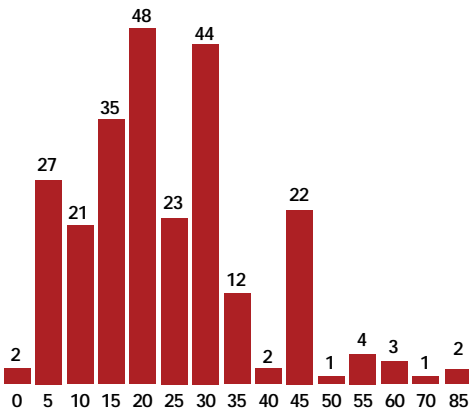
Hours of work

- Long working hours appear to be the norm in the accountancy profession. Of those who have contracted hours, 99% say they work in excess of these. On average full timers work 23% longer than contracted (i.e. about 10 hours extra) and part-timers work an average of 24% longer than contracted.
- There are no significant differences between the self-employed (i.e. sole practitioners and partners) and those who are employed in average hours worked. Working hours in excess of contracts are also the norm across all departments. Auditing, the area in which people train, is among the specialisations with the longest hours, along with tax, corporate finance and insolvency.
- Working over contract hours also appears to be the norm in small, medium and large practices.¹ In the largest organisations 86% report working up to 15 hours over contract. However, the highest proportion of Chartered Accountants reporting working more than 20 hours in excess of contracted hours is in the very small organisations.
- Regular working in evening and at weekends is common; 57% reported that they often or always work in the evenings, 37% often or always work at weekends and 27% do not take up their annual leave entitlements.
- Chartered Accountants under the age of 30 report working the longest hours but are also most likely to feel that their working hours are unacceptable.
- Women without children are working longer hours than men without children, although women tend to work fewer hours while they have young children.

¹We define small, medium and large organisations as having fewer than 25 employees, 25-999 employees and 1000 or more employees respectively.

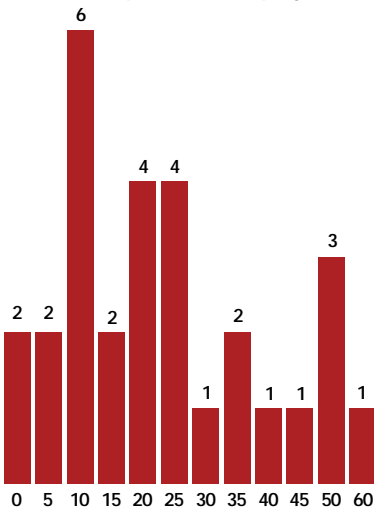
Percentage of working hours above contracted hours

a) Number of full-time employees



Percentage of working hours above contracted hours

b) Number of part-time employees



What determines working hours?

- Project deadlines are a major reason given for excess working hours, generating a sense of being under constant pressure; 84% feel the hours that they work are necessary to meet deadlines and 72% say that long hours 'are expected of me'.
- Only 40% say that client preferences determine the hours that they work, though 75% agree that long hours are 'inevitable in this business'. As one respondent noted:

*'My employer has recently made a big thing of saying that the employees are as important as its clients (a change from the previous "policy" that clients were more important than anything!). I think that it is genuine about this for reasons of self-interest – it needs to recruit and retain more staff. My line manager also supports these policies, at least in theory. **The problem is that in the short term we simply do not have enough staff to do the work and someone has to do it.***

The impact of long hours

- Heavy workloads are viewed as barriers to acceptable work-life integration. While peaks and troughs of work are regarded as inevitable in some areas of accountancy 40% of respondents rate their working hours as unacceptable.
- Those who work the longest hours are the most likely to report that they are thinking of leaving their current job. For example one 29 year old man commented:
'I will leave in two years as the hours are incompatible with family life.'
- Working shorter working hours is not seen as a viable alternative by most respondents, because this is viewed as career limiting.
- The majority of the participants are concerned that their working hours are having a bad effect on health, morale, productivity, personal relationships and social life; 52% of all respondents say they often or always come home from work too tired to do other things.
- In contrast, non-work activities are reported to rarely impinge on time for work; 93% say their personal life never or seldom interferes with work activities.
- Long hours also affect performance. Those who work what they consider to be unacceptable hours rate their performance lower than those who are happier with their hours.

Flexible working policies and practices

Demand

- There is considerable demand for flexible working practices primarily by those with dependent children or eldercare or other caring commitments but also for other reasons, such as involvement in charity work or for leisure activities.
- Most working parents in this study say they want policies which allow them to work flexibly rather than part time.
- The formal provisions most used by the respondents with young children are provision of portable technology to work at home (used by 30%), maternity leave above the minimum and paternity leave (taken up by 17% and 9% respectively), and part-time work (11%). The informal practices most likely to be used by this group are working from home (40%) and flexitime (36%).

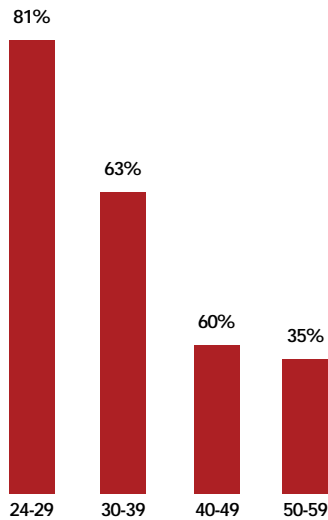
- Women with children are more likely than fathers to take up flexible policies. However fathers are particularly interested in paid parental leave policies.

Policies not offered which respondents with young children most wanted and would use if offered

Technical and financial support for setting up a home office	46%
Paid parental leave	38%
Compressed working week	37%

- Younger respondents without children are more enthusiastic than older respondents without children about policies which allow them to do the same amount of work, but more flexibly, notably flexitime and compressed working week policies, and working from home, as exemplified in the table below.

Respondents without children who do or would use a compressed working week, by age



- Younger respondents with heavier family commitments have the fewest opportunities for flexible working, and report most pressure to work long hours.
- Responsibility for elderly, sick or disabled relatives was reported by 10% of respondents and projections are that these numbers will grow in the future in the general population.² Those with caring commitments use a range of flexible working opportunities if they are available, although the HR survey confirmed that there is currently limited support available for this group.
- Like other employees, those with eldercare and other caring responsibilities need flexible working hours, but they also have important needs for informational support. When asked what other policies they would use, if they were available, 26% said they would use an information pack on eldercare and a further 40% reported that they would use information on other back up services.

- The opportunity to do some work at home, with the aid of portable technology, is a popular option with all groups. However respondents emphasize that good IT support is essential to make this work.

Provisions

- There is a growing awareness of the need for flexible work policies amongst the staff with responsibility for human resource management in accountancy practices. The organisations' representatives believe that much has already been done to develop and implement flexible work policies and practice.
- Larger accountancy organisations have a range of policies and practices in place, which have been documented and formalised. On average, the largest organisations offer 12 **formal** flexible work policies with a range of 3-17.
- The most frequently quoted formal policies in large organisations are part-time/reduced hours (offered by 100%), study leave (100%), secondment opportunities (80%), career breaks (80%), compassionate leave (80%), telephone help-line (80%) and maternity pay in excess of statutory requirements (80%).
- The smallest organisations (1-10 Partners) reported *on average* three flexible work policies, although the range was broad, 0-6. Smaller organisations tend to respond with an informal, reactive approach to flexible work practices, choosing to deal with work-life integration issues on a case-by-case basis.
- The most frequently offered formal flexible work policies in smaller organisations are study leave (offered by 70%) followed by part-time/reduced hours (60%) and the provisions of portable technology (70%).²
- The most frequently quoted **informal** flexible work policy negotiable in smaller organisations is flexitime (80%). Carer leave, paternity leave, compassionate leave and adoptive leave are quoted by 50% of smaller organisations as being negotiable.
- Only one organisation reported that they offer formal management training on work-life integration issues. None of the organisations reported that performance management and appraisal systems are used to monitor and systematically support the work-life integration of staff.
- Very few organisations overtly promote flexible working opportunities in recruitment literature and promotion of policies within organisations also tends to be limited.

² Population Trends 2000, Vol 99: 27-30 'Lessons from four birth cohorts ageing in the 21st Century'.

Chartered Accountants' experiences of flexible working practices

- Many respondents are **unaware** of what provisions are offered by their organisations. Only 12% of respondents say that it is easy to find out about work-life support programmes in their organisations. Men in particular are often not aware of flexible working provisions available in their organisations. For example:
 - 46% of human resource managers surveyed said their company formally offers career breaks, and a further 17% offer them informally. However while 25% of mothers report that their company offers career breaks, none of the men responding to the questionnaire were aware of such provisions in their organisations.
 - 11% of HR managers said their organisation offers term time working as a formal policy, and 29% said they offer it informally. Yet none of the respondents, male or female, reported that term time working is offered formally in their organisations although 61% of mothers and 13% of fathers said they would like to work in this way.
- Take-up of formal flexible working practices is limited. For example 61% of fathers and 56% of mothers of young children would not take up paid parental leave if it was offered and 14% of the sample would not even use flexitime opportunities to manage their workloads more flexibly. Among those with caring responsibilities for elderly or sick relatives, 16% said they would not make use of compassionate leave even if it was available.
- Many members say that they are deterred from taking up flexible working policies by a belief that reduced hours or flexible working is career limiting.

Typical responses to the question 'what would deter you from taking advantage of flexible working practices, if available?' included:

'Negative impact on remuneration if seen as putting in less than 100%.'

'It's viewed as an "opt out" for career progression.'

'Restrictions to my advancement within the organisation.'

Similarly, responses to the question 'what would encourage you to take advantage of flexible working practices, if available?' almost always referred to the impact on careers, for example:

'The knowledge that such practices are not seen as a lack of commitment.'

'The knowledge that it would not damage my career.'

'No career "stigma".'

'Career certainty.'

- Those responsible for HR are aware of these misgivings and around half believe that flexible work policies would indeed have a negative effect on career opportunities and on the variety of work undertaken by staff working flexibly.
- Opportunities for flexible working can enhance commitment to the organisation, but this depends on how employees are managed. For example, the effects are less positive if those working reduced or flexible hours feel that they are not given challenging work. One part-timer wrote:

'My status and job have changed dramatically. My part-time hours have caused me to be offered "projects" far beneath my experience and qualifications. I am bored and frustrated.'

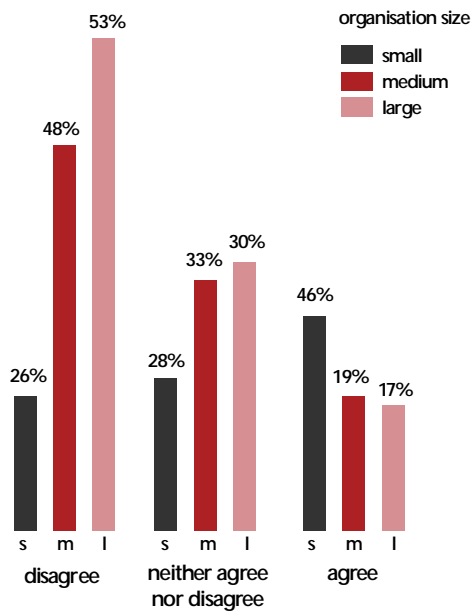
Informal culture and support

- Informal workplace support is crucial for the effectiveness of flexible work. Those who perceive their organisation to be supportive of acceptable work-life integration are less likely to be looking for another job than those who feel unsupported:
- The potential gains of flexible working appear to be undermined at present, in many organisations, by workplace cultures in which non-flexible workers are the most highly valued:

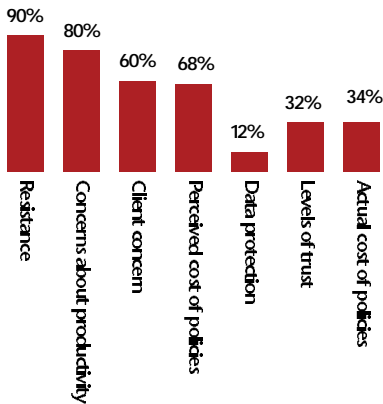
'I am the first at work every day, also I usually work through lunch. The fact that I leave work on time quite often (even though I might have a case full of work at peak periods) means that I get comments like "I know that it's difficult for you to put in the hours, with the children".'

- Only 25% believe that their organisation respects employees' desires for acceptable work-life integration. At least 50% of participants say that the organisation is not supportive even when there is an actual conflict to deal with. However line managers are perceived as more flexible than the wider organisation, at least in relation to family crises: 81% of respondents agree that their manager would be flexible if they needed time to attend to family issues.
- The importance of management trust is mentioned. For example one respondent wrote:
'The flexitime system has to be formally adopted and employees trusted not to misuse it and good line manager/employee relationship (is necessary) to enable this.'
- Size of organisation makes a difference to perceptions of support. While those in larger organisations are more likely to agree that their organisation has many work-life programmes and policies, (consistent with the HR survey), respondents from small organisations are more likely to say that their organisation respects employees' need to integrate work and non-work demands and is supportive of employees with families.
- Older workers are more likely to feel that they receive support for work-life integration than younger employees.
- Colleagues are not widely viewed as a barrier to flexible working: 70% reported that colleagues are supportive of flexible workers.

Responses to the statement that their organisation respects employees' desire to balance work and non-work demands, for those in small, medium and large organisations



HR survey respondents views on the barriers to implementing flexible work policies



Experiences of implementing flexible working practices

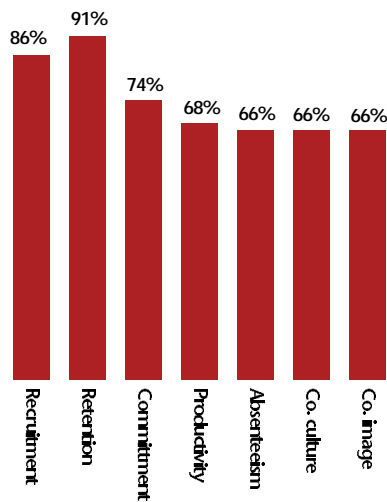
- Participants in the HR survey reported that resistance to flexible work policies from decision makers, concerns about productivity, client concerns and the *perceived* cost of implementing flexible work policies are major barriers to implementing flexible policies.
- All the participants in the HR survey report that the flexible work policies have already had a positive effect on their employees' work-life integration: 97% believe that flexible work policies have positively affected individuals' personal circumstances and 80% reported a positive effect on stress levels and job satisfaction.
- Some examples of good practice emerged in which flexible working enables people to continue to work, even in areas where long hours are usually the norm, without forfeiting career opportunities. This enhances **commitment** to the organisation, as illustrated by one woman working in auditing in a medium-sized practice:

'I am currently using flexible hours to enable me to leave early/take time off to look after my children. Work are very understanding and my career in the firm has continued.'

The business case

- The business case for flexible working practices will be explored in more detail in later phases of the research. Nevertheless a number of indicators emerged from this stage.
- Recruitment and retention of good quality staff is a major concern for participants in the HR survey. In total 83% of the respondents are either concerned or very concerned about staff recruitment and 71% about staff retention. Access to skilled and experienced staff is of concern to 89%.
- Most believe that offering flexible work policies has positive effects on a range of organisational outcomes.

Positive responses from human resource management staff when asked about the effects of introducing flexible work policies



- For 22% (30% of parents), flexible hours are one of the main factors keeping them in their particular job.
- Lack of flexibility is a major reason why some Chartered Accountants are thinking of leaving their current jobs and is even more frequently mentioned than long hours.
- The desire for flexibility and control are the most common reasons given for becoming self-employed.
- The findings also suggest that, if well implemented, flexibility can enhance organisational commitment and performance.

A 30 year old man observed that flexible working practices would 'give me more time to do the things I enjoy outside of work and hence make me work better'.

- Effective flexible working practices, with informal support, contribute to the perception of organisations as employers of choice, particularly for younger Chartered Accountants.
- One of the large organisations reported systematically addressing the business case of implementing flexible work policies at the time of the survey; other organisations reported localised attempts but the vast majority have not attempted to quantify a business case analysis to support the introduction of flexible work policies.

Conclusions

- The demand for flexible working practices is high, especially among younger Chartered Accountants, and likely to continue to grow.
- There is increasing awareness of the business case for developing flexible working practices and supporting acceptable work-life integration in accountancy organisations.
- A range of formal policies is being developed, especially in larger organisations and informal practices, especially in smaller organisations.
- Take-up of flexible working practices is limited and unlikely to be increased substantially unless flexibility is regarded as the norm and can be clearly disentangled from career advancement.
- Flexible working practices can empower Chartered Accountants to accomplish their work in ways which suit them best, and there are examples of good practice in achieving this. However flexible practices and the innovative ways of working which could follow, are currently often undermined by cultural factors. For the potential benefits of flexible working to be realised there needs to be:
 - positive communication and promotion of flexible working practices as the norm and not as exceptions;
 - an acceptance that flexibility does not imply low commitment and therefore should not be career limiting;
 - a workplace culture supportive of healthy work-life integration.
- The research raises some significant questions about current working practices and their implications, such as why long working hours are the norm throughout the profession and why Chartered Accountants working in smaller organisations appear to feel more supported than those in larger organisations despite the greater number of formal work-life policies in the latter. These will be among the issues to be explored further in the next two phases of the research, together with further examination of the business case for flexible working practices.

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