









Putting family-friendly working policies into practice

The Government is encouraging employers to adopt family-friendly employment policies. Its approach focuses on promoting the development of voluntary family-friendly arrangements through agreement between employers and employees. From January 2000 to February 2001, a research team from three Scottish universities examined family-friendly policies in 17 companies in the rapidly expanding financial services sector in Scotland and then compared policy with practice in four case-study companies drawn from the original sample. The research team found that:

-  Where unions were recognised there was a wider spread of family-friendly policy initiatives than in other companies and these policies were codified, for example, in staff handbooks.
-  Smaller companies, without trade unions or staff associations but needing to recruit and retain specialised staff, have introduced a variety of policies, often informal, operating largely under management discretion.
-  In all 17 companies, interest in family-friendly working arrangements was prompted largely by concerns for labour retention. Other factors included meeting minimum statutory requirements and keeping up with competitors.
-  According to managers, there was little evidence of union influence in the companies. Full-time union officers, however, insisted that pursuit of family-friendly policies was a priority for their unions. They reported both managerial resistance to family-friendly working and apathy from members.
-  The four case-study companies confirmed that line managers were expected to play a significant role in operating policies, despite receiving little or no relevant training.
-  Important factors influencing management decisions included: the ease with which staff could be substituted; perceptions of employee inputs in terms of time and commitment; and general attitudes toward flexible working.
-  Many managers saw flexibility over working hours as the essence of family-friendly working. However, managers themselves and many employees worked long hours.
-  Take-up of many of the arrangements by employees was low.

Background

Tensions between the demands of work and home have been recognised by the Government in the *Employment Relations Act (1999)* which offers employees enhanced maternity rights, new rights for unpaid parental leave and for unpaid time off for dependants. For both these new forms of leave, the Government Regulations offer minimum fallback provisions but encourage employers and employees (individually or collectively) to agree enhanced voluntary rights to leave. The Government is also encouraging employers to adopt greater flexibility in employment conditions.

This study of 17 finance sector companies operating in Scotland examined the extent and nature of these voluntary arrangements. By drawing upon the perspectives of managers and employees, four case studies from the original 17 were selected to explore the ways in which company policies were operating within the workplace.

Establishing family-friendly policies

The 17 companies studied were classified according to their prime form of employee involvement in company decisions: independent union recognised; in-house staff association recognised; and no formal representative arrangements. Where there is no employee representation, it can be assumed that any discussions will take place directly between the employer and individual employees.

Across all the companies, flexible working practices such as flexitime and part-time working were more common than family-friendly leave-based policies.

Managers in the 17 companies were clear that the introduction of family-friendly policies and flexible working was motivated largely by issues of labour competitiveness, in particular with regard to retention of key skills:

"Current voluntary provisions are in place because of retention, not attraction. If you are flexible, you will retain people." (HR manager, finance house)

New legislation offering rights to employees also stimulated companies into adopting family-friendly policies.

Many companies presented different flexible working patterns, such as part-time hours or flexi-time as embodying their commitment to family-friendliness.

The influence of unions

Where unions were recognised, there were a greater number and range of voluntary initiatives than in companies with staff associations or in companies without any formal systems of representation.

In the unionised companies, there was greater evidence of codification and the establishment of

joint forums for representative participation by employees. It appears that unions, in a strong labour market and with the support of recent legislation, were able to raise family-friendly issues through consultative and other joint bodies. However, there was little evidence of negotiated agreements: the pattern was for unions to raise or pursue a matter and for management to respond according to its priorities.

Telephone interviews with full-time officials from finance sector unions revealed a similar picture. Unions considered themselves to be active in promoting family-friendly policy to members, companies and to policy-makers. Whilst reporting some successes, union officials considered themselves to be hampered by: uncertain commitment of companies to the policies; management control over the implementation of the policies; and member apathy.

Policies in companies with staff associations tended to be less formal, but progress in the direction of family-friendly provision was quite restricted. Where the staff association was represented on joint committees with management, its influence was not strong. Again, informal approaches to family-friendly working tended to be adopted by managers in pragmatic, individualised ways, without codification.

In smaller companies without staff representation there was little employee involvement in developing the policies. Family-friendly programmes in these companies tended to be primarily initiated and driven by management. In consequence, the arrangements were largely informal and often allocated to individual staff members at the discretion of their line managers. Lack of formality was also explained by the absence of women at senior management levels in these companies:

"[There is a] lack of female employees at the top. [They are] employed in lower status jobs and the male-driven organisation means that formal policies have not been pursued so far." (Director of Personnel, finance house)

From policy to practice

The case-study phase of the research explored how family-friendly policies were translated into practice in four companies (whose identities have been disguised). One company recognised a trade union ('North Bank'), two from the same group but acting independently ('Edinburgh Life' and 'E-Bank') operated with staff associations, and one company ('Castle Funds') did not have formal employee representative arrangements.

Widest formal coverage was found in the union-recognised company and lowest formal coverage was at the company without any arrangements to represent employees.

The role of line managers

In all four companies line managers had significant discretion over determining how actual leave arrangements and payments operated. Policies and policy changes were mainly communicated through the staff handbook, supplemented by email:

"Policies exist, but not everyone is aware of them. This is partly to do with communication, but also some of these things are of less interest to some people... Communication is difficult in such a big company and so we tend to use email, but people can easily ignore this." (Savings manager, E-Bank)

Line managers said that specific training on family-friendly policies was patchy or non-existent. Lack of training could lead to inconsistent operation:

"There is a wide variation in how these policies are implemented because there is no training in this at all and no HR involvement." (Branch manager, North Bank)

Manager awareness of company policies was patchy and confusion over terminology was also evident. Awareness of statutory provisions was variable. Despite this apparent lack of organisational support, managers were expected to exercise considerable discretion in the operation of these policies.

It was also clear that tension can exist between formal policies and informal discretionary powers which take into account individual employee circumstances. The more significant influences included:

- The ability of managers to offer flexible working hours was dependent upon whether or not the task was time-critical and how easy it was to substitute for absent employees in terms of both numbers and general skills:

"Obviously if people are off on maternity or parental leave, that has an impact on the ability to provide customer service so you have to plan for it. With a call centre our size [400+ staff], the small amount of people involved means that it is only a minor itch, we tend to be able to cover." (Manager, E-Bank)

Substitution was less easy for professional staff; for managers; for employees with specialised skills; and for individuals whose work requires inflexible working hours.

- Manager perceptions of employee inputs in terms of time and commitment also influenced discretionary access:

"If someone contributes well to the business, if they put in the hours for no extra pay, then that shows commitment and we'll go outside the policy for them." (Mortgages manager, E-Bank)

- Managers' general attitudes to flexible working influenced employee access to such practices. Paid and unpaid overtime was frequently reported and a long working hours culture often underpinned management perceptions of appropriate work-life balances with regard to management staff. Part-time working was often perceived and treated as inappropriate for managers.

"I think people stay too long and we have a culture in some areas where if you don't work long hours you are not seen as a good worker." (HR manager, Castle Funds)

The influence of employee participation

Neither representative bodies nor individual employees appeared to make a significant impact on company decision-making over family-friendly policies or practice. At operational levels, employee representatives worked principally in an information-sharing and advisory capacity. Even so, in the survey of staff opinion employee representatives were perceived to be the least important source of information on family-friendly policies.

The most substantial employee influence was at North Bank, where there was a recognised union. However, managers at this company, along with managers and some employee representatives at the two staff association companies, considered that management would have implemented policies pursued by representative bodies in any case.

On an individual basis, few employees felt that they were able to make a difference to the sort of family-friendly arrangements introduced in their organisation. Over half the respondents across all four organisations were of the opinion that they had never been asked their views on family-friendly arrangements at their workplace.

Employees' experiences

The results of the staff surveys revealed similar patterns as those of line managers. Highest awareness was of written formal paid policies. Poorest awareness was for parental leave, despite this being a recently introduced statutory right.

There was a low uptake of parental leave: between one or two per cent of survey respondents had taken parental leave over the past year. Low uptake was probably due to its recent availability and lack of paid provision. Managerial discretion, working practices and organisational culture had a considerable impact on the ways in which time off

for domestic emergencies operated. Managerial discretion was also a major influence on access to flexible working practices. Many survey respondents reported the availability of informal flexible arrangements, arrived at through informal discussions with line managers.

A few respondents reported that they did not have access to the family leave they would have liked. Most of these wanted time off for domestic emergencies. Significantly more employees felt they had no flexibility over working hours. Most of these respondents wanted flexitime.

Gender was not an important factor in the uptake of any of the family-friendly policies except that women were more likely to change their contracted hours to part-time working. Parents were more likely than non-parents to take time off for domestic emergencies and to change working hours. Parents were also more likely to feel that they did not have access to a flexible working arrangement (25 per cent contrasted with 13 per cent for non-parents) and were more likely to be refused, though the numbers actually refused were very small.

Policy implications

The findings indicate that government and employer policy might be directed in the following ways:

- **Monitoring of voluntary approach.** Family-friendly employment means different things to different people, even in the same organisation. One consequence is that it is difficult for employers and employees to reach voluntary agreements over the dimensions and coverage of family-friendly policies. At work, policies are currently dictated by business interests rather than family concerns. Informal practice is common. The Government should consider monitoring progress of the voluntary approach.
- **Paid leave.** The study commenced only six months into the statutory arrangements and few employees had taken advantage of unpaid leave provisions, especially parental leave. Nevertheless, it is questionable whether unpaid leave can act as a catalyst in easing workplace tensions with regard to family life. Two weeks' paid paternity leave is scheduled to be introduced in April 2003. Whilst not high, this paid element may induce more fathers to take paternity leave.
- **Communication.** Few people at work, whether managers, union representatives or employees were well-informed of policy developments in this area. This suggests that the Government needs to consider ways to communicate policy initiatives to potential beneficiaries. Employers also need to

examine their internal communication processes.

- **Flexitime and flexible working hours.** These forms of flexibility seem to be much appreciated by staff. Appropriate ways of allowing staff to convert to their preferred forms of flexible working might be reviewed by companies and government.
- **Trade unions** do have an effect on policy implementation but they could be more effective in assisting companies to follow good practice and in codifying policies.
- **Management discretion** is an important concern to employers because of the possibility of inconsistent application of policies and potential challenge in the courts. To avoid this, employers should consider: codifying policies; recording uptake; providing staff training; and testing family-friendly policies against equal opportunities policies.

About the project

The study was conducted in two phases. Seventeen finance sector organisations were examined between January and September 2000. Semi-structured interviews with officials of seven trade unions with recognition rights in the finance sector were also conducted. The second phase was undertaken between June 2000 and January 2001 and provided detailed case studies of four organisations drawn from the original sample. The research team interviewed line managers, employee representatives and human resource specialists. Staff views in the four companies were canvassed using a self-completion questionnaire. 533 completed questionnaires (48 per cent) were returned.

The research was conducted by Sue Bond and Sarah Wise of the Employment Research Institute at Napier University, Edinburgh; Jeff Hyman of Glasgow Caledonian University; and Juliette Summers of the University of Stirling.

How to get further information

The full report, **Family-friendly working? Putting policy into practice** by Sue Bond, Jeff Hyman, Juliette Summers and Sarah Wise, is published for the Foundation and The Policy Press by YPS as part of the Family and Work series (ISBN 1 84263 050 4, price £14.95).