



# Family-friendly workplaces

## A tale of two sectors

*There are encouraging developments in the retail and public service sectors that indicate business is increasingly understanding that it depends for its success on recognising and accommodating the diverse needs of the people who make up the workforce. This is important if we are to address the problem of the current uneven spread of family-friendly workplaces across the economy.*

**M**any factors are combining to shine the spotlight on workplace policies and programs that enable people to combine paid work with family responsibilities. The rise in dual earner families, associated especially with the increased labour force participation of mothers with young children, measures to increase the workforce participation of single mothers, and the increased involvement of fathers in child rearing, are all drivers of change.

Demographic factors such as declining fertility and the ageing population are providing further impetus for progress in this area. There is growing recognition that Australia's competitiveness depends on the knowledge and skills of its people, and that to prosper, business needs to draw on a wide and diverse pool of talent. Work-family balance is thus increasingly important for long-term trends in labour supply, as the OECD (2001) has recognised.

A wide variety of provisions come under the general rubric of "family-friendly measures". However,

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they tend to fall into five main groups: leave provisions (such as parental and family or carer's leave); flexible working hours arrangements (including part-time work, job sharing, flexible start and finish times); child care provision or assistance; other support measures such as counselling and referral services; and information and training resources (Whitehouse 1999; Evans, 2000).

These measures can be found in various sources – industrial relations legislation, provisions in industrial awards, state services, enterprise/workplace agreements, company policies, and a wide range of informal measures at workplace level. The Work and Family Unit (WFU) in the Department of Employment and Workplace Relations publishes a comprehensive series of guides on the development, implementation and evaluation of work and family provisions (see references for details).

This article briefly outlines the federal industrial relations framework and then goes on to look in



particular at recent developments in two very different sectors – the retail industry and the federal public service.

### **Implementing work and family provisions**

It is now widely acknowledged in the work–family policy arena that, beyond certain minimum conditions, approaches need to be tailored according to the characteristics of an organisation and its workforce. One-size does not fit all, either in terms of the range of employee needs and how these change over the life cycle, or in terms of the requirements of different industries and workplaces. This is because the challenges, opportunities and operational imperatives are different in different sectors and for organisations of different sizes.

In Australia, the federal legislative framework for workplace relations emphasises the role of agreement-making in creating family-friendly working conditions, and the scope this offers for meeting both the business needs of the organisation and the

needs of the employees (Workplace Relations Act 1996). At present, many family-friendly practices in the workplace are not formalised through the workplace relations system. While informal agreements, company policy or management practices may suit an organisation in the short-term, there are good reasons to include family-friendly practices in formal agreements.

Agreement-making enables business to think strategically about the links between organisational objectives, organisational culture and employment conditions. For both employers and employees, it provides an opportunity to decide whether current approaches at the workplace are the most relevant to their needs. For employees, a more formal approach can promote awareness of and access to family-friendly policies. For employers, identifying cost-effective family-friendly options during agreement negotiations may encourage employees to accept other changes needed to improve productivity.

There is no doubt that work arrangements that assist employees with family responsibilities are increasingly on the bargaining agenda in both the public and private sectors. For many organisations there is a compelling “business case” for ensuring that, as far as possible, working arrangements should accommodate the family and other personal commitments of employees.

More and more companies do recognise the significant benefits that family-friendly work practices can bring to the workplace through increased staff morale, higher productivity, and reduced turnover of quality staff. The cost of providing a more flexible work environment will vary according to the specific measures adopted but does not have to be high (Russell 1997). The financial services giant AMP has calculated that its investment in family-friendly policies is yielding a 400 per cent return in the form of lower staff turnover and higher productivity (Schwab 2001). It is also a recruitment aid for employers who want to position themselves as “employers of choice” in a competitive global labour market. A PriceWaterhouseCoopers study of graduates worldwide found that work–life balance was key to choice of employer for 45 per cent of graduates, compared with salary for only 22 per cent (PSMPC 2001: 23).

However (and as Gray and Tudball have noted in their article elsewhere in this issue of *Family Matters*), the “business case” has always had more traction in relation to high-skilled occupations and industries, where training and replacement costs are high, and the recruitment and retention benefits of “best practice” provisions are easier to quantify. It has been harder to promote the business efficiency and cost effectiveness argument in sectors traditionally characterised as “low-skill” (such as retail), or where productivity is hard to measure (such as the public sector).

This article reports on encouraging developments in the retail and public service sectors, which indicate that the scope of the business case may be broadening. This is important if we are to address the problem of the current uneven spread of family-friendly workplaces across the economy.



## The retail sector

### **Family-friendly practices add up to good business outcomes**

Retail employs more people than any other industry sector in Australia – 14 per cent of the Australian labour force work in retail. Women make up over 50 per cent of the retail workforce, and part-time workers constitute 46 per cent of employees. The industry faces a number of challenges with the growth of extended opening hours and seven-day trading, increased competition and low profit margins. Today, many retail businesses operate at all hours of the day and night. We are surrounded by 24-hour convenience stores, have access to 24-hour banking, late night restaurants, and late night shopping. Peoples' lifestyles and working habits are changing and these have particularly significant implications for the retail industry.

Its traditional image is of a low-skill, low-pay industry that is reliant on casual labour and offers little potential for building a career. Despite the extent of part-time employment it is not a sector renowned for its family-friendly work practices. In the Work and Family Unit's report (WFU 1999) *Work and Family: State of Play 1998*, which analysed developments in the spread of family-friendly working arrangements, the retail industry was identified as a "poor performer". It came close to the bottom of a league table ranking various types of workplaces based on a family-friendly index drawn from the 1995 Australian Workplace Industrial Relations Survey (AWIRS), scoring less than three out of a possible seven.

Furthermore, according to AWIRS, retail employees were the least likely of any industry (except for "electricity, gas and water supply") to believe that they were given a fair chance to have a say at work (Morehead et al. 1997). Consultation with employees is a key factor in achieving a family-friendly working environment – see, for example, the Work and Family Unit's *Resource Folder* (WFU 1997-2001).

### **"Balancing the Till" study**

Against this background, retail industry leaders had begun to appreciate that the challenges facing the sector required a fresh approach. This led to the development of a partnership project between the Australian Retailers Association (which represents over 12,000 retailers who between them transact over 75 per cent of the nation's retail sales), the Work and Family Unit in the Department of Employment and Workplace Relations, and the Equal Opportunity for Women in the Workplace Agency (EOWA).

The partnership worked with some of Australia's leading retailers to profile workplace practices in this sector, with a view to helping them improve business outcomes through better understanding and management of their workforce. Sixty retailers, representing 278,000 employees, participated in the study by responding to a postal survey, while 17

retailers hosted an extensive workplace visit, involving interviews with staff and managers. The project report, entitled *Balancing the Till: Report into Finding and Keeping Good People in the Retail Sector*, has been published by the Work and Family Unit (WFU 2002).

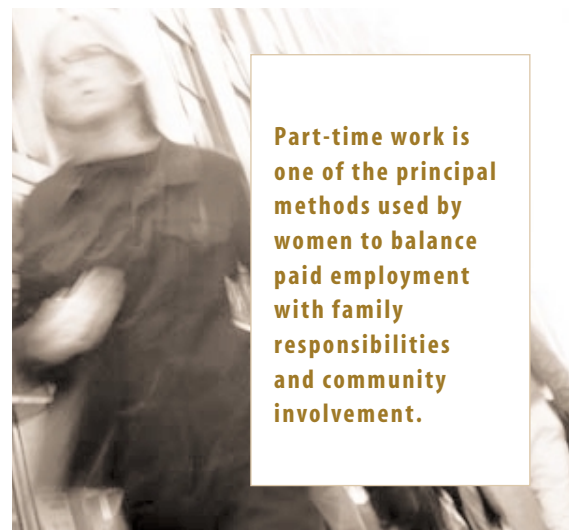
The "Balancing the Till" report, which also draws on international research and best practice, highlights 16 key messages for the industry. There is not the space here to discuss all the report's findings, so comment is restricted to some of the most significant.

### **Recruiting and keeping good employees**

The survey found that while employers place a very high priority on *recruiting* the right people, this contrasts with much lower priority given to *keeping* good employees. It also found that one of the principal reasons people may leave a job in retail is lack of flexibility and family-friendly working conditions. Almost a quarter of retailers who responded to the survey reported that a major reason for staff leaving their company was to seek more supportive work-life conditions. Nearly half of the retailers (44 per cent) said staff left their business because they wanted more control over their working hours.

Some control over working hours is important to all employees but it is particularly valuable to those managing caring responsibilities (WFU 1999). Control can mean having a say in start and finish times, negotiating the number of hours worked per week, or being able to take time off to attend to family matters and make up the time later. Shops have to open and close at fixed times, and must be staffed to cover peaks and troughs in the trading cycle. Retail relies on rosters to cope with fluctuations in business and to cover extended trading.

It is possible to balance the needs and preferences of employees with the operating requirements of the business but some retailers have a more flexible approach than others. For example: 56 per cent of retailers reported that their rosters are negotiable to cater for work-life needs; 14 per cent offer self-managed rosters; 57 per cent provide flexible start and finish times; 37 per cent offer school term employment; and 31 per cent have implemented job share arrangements.



While there are certainly models of “best practice” in the industry it is not yet the norm. For those who still regard the implementation of work and family provisions as too costly, the report presents some startling figures on the cost of replacing employees, even junior casual employees. A leading Australian supermarket has estimated its costs per lost staff member as \$3,800 per full-timer, and more than half that for a part-time worker.

Retailers who do their sums should find that strategies to retain staff do pay off. The point made by Bill Healey, a former Executive Director of the Australian Retailers Association and one of the instigators of this project, is that “the retail industry is not an unskilled industry but it is an under-credentialed one. One in which many skills are not formally recognised”.

The under-valuing of skills can result in underestimates of the losses from staff turnover, and a corresponding failure to implement work–life provisions that would improve employee loyalty and retention. The clear message from this research is that there are gains to be achieved by providing an environment and conditions of employment that allow people to balance their work and family responsibilities. It increases their productivity at work and encourages them to be loyal long-term employees. This in turn fosters quality of service and customer loyalty.

### **Equal opportunities and family-friendly workplaces**

While the majority of retail employees are women, less than a quarter of the managers are women. Providing flexibility for management and supervisory staff remains a key challenge for the Australian retail sector, as it does for many other organisations. It is a critical factor in capturing the untapped talent of the large female workforce. It is also important if family-friendly working arrangements are not to constitute a “mummy track”, or a cul de sac for women’s careers (Wajcman 1998).

Part-time work is one of the principal methods used by women to balance paid employment with family responsibilities and community involvement. It can also give employers the flexibility they need to adjust working hours to business requirements while achieving higher productivity. However, it can prove to be a mixed blessing, often relegating women to the periphery of the labour market, with less training and promotion opportunities. In keeping with this, it is clear from this research that the vast majority of retailers are only too happy to provide part-time employment opportunities for their shop assistants but seem to have a mind-set against the possibility of providing such flexibilities for their shop managers.

The survey found that: only 52 per cent of shop managers have access to part-time work, compared with 93 per cent of shop staff; only 38 per cent of shop managers have flexible start and finish times, compared with 57 per cent of shop staff; and only 4 per cent of shop managers can have school term employment, compared with 37 per cent of shop staff.

Many retail businesses operate long hours, some never close, so they have to employ more than one person in supervisory or management positions to

cover all these hours. Allowing these duties to be shared can help to provide challenging and rewarding work for a wider range of people. Deploying staff at their higher levels of competency is often the way to get the best out of them. At present many employers are failing to maximise the potential of a key section of their workforce and are missing out on the valuable contribution that could be made by part-time female managers.

### **Good employers provide for balance**

Many of the key messages in the “Balancing the Till” report are echoed in other research. One of the retailers who hosted a workplace visit for the partnership’s project, Eurest, has recently been recognised in the Australian Financial Review’s “Best Employer to work for in Australia”. That survey of 160 companies representing a cross-section of Australian corporate life found that:

- the top five factors affecting business results were acquisition and retention of talent, organisational culture, quality of leaders, customer loyalty, and employee motivation;
- a large number of the best employers had part-time workers, with some having more part-time than full-time people;
- the best employers see pay as part of a more holistic environment with flexible work practices and some work–life balance conditions;
- it is not “one size fits all”: employers can’t just go and copy others – they must communicate with their employees to work out what will fit their needs and those of the business; and
- the best employers receive nearly twice as many job applications as other employers and staff turnover is about 25 per cent less. ➤

## **ABOUT THE WORK AND FAMILY UNIT**

The role of the Work and Family Unit in the federal Department of Employment and Workplace Relations is to promote the implementation of family-friendly working arrangements, and to increase awareness of the opportunities available to include work and family provisions in workplace agreements.

It publishes and distributes a range of information and resources, including the comprehensive two-volume *Work and Family Resource Folder* which contains guides to implementing and evaluating work and family measures. Many examples of useful and innovative provisions in workplace agreements can be found in the compendium of *Best Practice 2000 and 2001*, available from the Work and Family Unit. A free *Work and Family Newsletter* is published three times a year.

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As the “Balancing the Till” report emphasises, contemporary work practices aligned with the needs of the 21st century workforce will significantly increase the management capability of the retail sector and increase its business competitiveness. Individuals are subject to changing demands and priorities as they move through the life cycle. They might start out balancing study and part-time work, or working full-time as young adults. There are times when developing a career and climbing the promotions ladder are the priority. When the responsibility of caring for young children, disabled relatives or aged parents arises, the focus shifts and needs are different. The challenge for managers and employers is to enable employees to give the best they can as they move through life’s phases.



### *Family-friendly conditions and enhancing productivity*

It should be the case that the federal government as employer best exemplifies its own workplace relations policy, and indeed this appears to be the case. Agreement-making is more widespread in the Australian Public Service (APS) than any other industry sector, and there is a high incidence of family-friendly provisions. Almost all APS employees are covered by either certified agreements (94.3 per cent) or by Australian workplace agreements (5.2 per cent) compared with the Australian workforce as a whole (35.2 per cent and 1.8 per cent respectively).

### *Agreement-making*

A new report on agreement-making in the Australian Public Service shows that family-friendly conditions are regarded as being very significant in both enhancing productivity and in delivering benefits to employees. The National Institute of Labour Studies conducted a survey in August/September 2001 on behalf of the Department of Employment and Workplace Relations. It follows up a similar one conducted in 1999 and indicates a substantial increase in awareness of work and family issues

**Table 1 Most important performance enhancing features of agreements**

Feature	% of agencies saying important	importance ranking
Performance management arrangements	74	1
Family-friendly working arrangements	74	4
Flexible working hours	61	3
Tailoring conditions to agency business	57	2
Leave simplification/streamlining	56	9

Source: DEWR, 2001, Table 9, p. 29.

since then (Department of Employment and Workplace Relations, 2001).

In the public sector, a key challenge is to find ways of enhancing productivity, so as to fund pay increases within APS agencies budgets, but also to get better value for taxpayers’ money. The accompanying table shows some of the features of agreements that agencies reported have contributed most to enhanced performance.

Features were rated on the number of agencies recognising them as important and on how important the agencies rated them. Most agencies (74 per cent) reported performance management arrangements were the most important feature in enhancing productivity. Family-friendly working arrangements were also rated as an important feature by 74 per cent of agencies, a dramatic rise since 1999 when only 22 per cent of agencies said that family-friendly working arrangements were important in enhancing performance. Because this scored lower on the “how important” index, its overall importance ranking was reduced (to four). However, it is striking that three of the top ten ranked features relate to the provision of a family-friendly work environment.

“Flexible hours of work” covers a multitude of arrangements, from seven days a week rostering, to bandwidth hours (the range of hours within which employees may carry out their work), to part-time work. The survey found that about 45 per cent of current APS agency agreements include specific provisions aimed at effectively managing extended hours. For example, the Department of Foreign Affairs and Trade has adopted a “Working Smarter” strategy, which discourages long working hours and rewards staff who show good judgement in setting priorities and maintaining work–life balance. This is a good illustration of committing to a process of workplace culture change with a practical initiative.

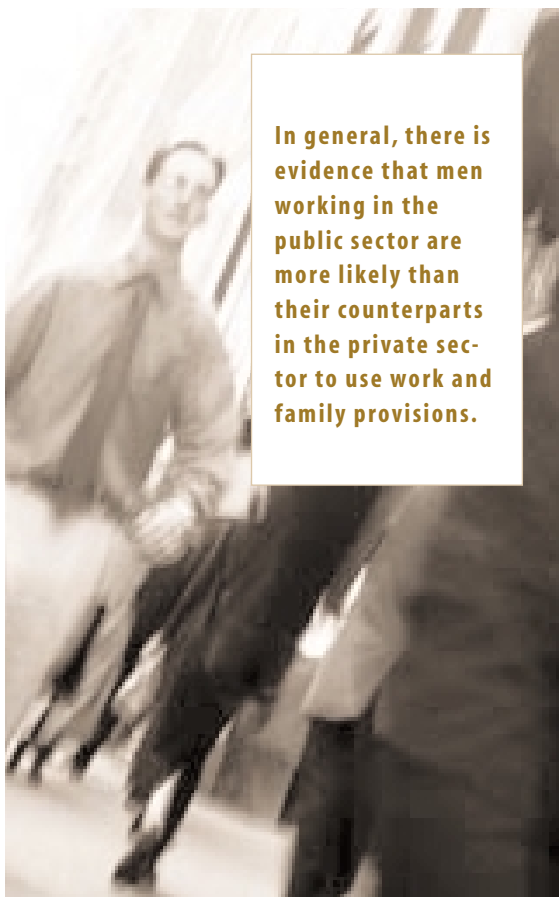
Pay increases were regarded as the most significant benefit to employees. However, there were many benefits ranked near equal in significance, including flexible working arrangements and family-friendly or work–life balance policies. These were considered to be a significant or a highly significant benefit in at least four out of five agencies.

The survey report concludes that agreement-making is working for both agencies and employees. Importantly, it shows that flexible working arrangements and family-friendly measures are regarded as important features for enhancing performance in agencies.

### *Workplace diversity*

Complementing this research is a recent report on workplace diversity by the Public Service and Merit Protection Commission (PSMPC 2001), which shows that all Australian Public Service agencies offer at least one option in relation to child care, ranging from reimbursement of vacation care costs to on-site child care or facilities for nursing mothers.

This report also highlights both the value of and the increase in part-time work opportunities



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in the public service. The proportion of ongoing employees working part-time in the APS has increased over the last ten years from 3 per cent in 1992 to 8 per cent in June 2001 (PSMPC 2001). A major factor in this increase is the removal of restrictions on the use of ongoing part-time staff which were included in many awards and enterprise agreements until the mid to late 1990s.

There has also been an increase in the proportion of men working part-time in the Australian Public Service. In general, there is evidence that men working in the public sector are more likely than their counterparts in the private sector to use work and family provisions. This highlights the fact that work and family measures, while having an important gender equity objective, are not a women's issue. An Australian Bureau of Statistics study on working arrangements for carers showed that in the private sector 47 per cent of women and 28 per cent of men had used leave provisions for caring purposes, compared with the public sector where 53 per cent of women and 47 per cent of men had used flexible working arrangements to care for another person (ABS 2000).

A large proportion of public service agencies use employee survey data to improve the reach and impact of work-life programs. This is increasingly a feature of private sector organisations as it enables the employer to monitor staff awareness of, and levels of both use and satisfaction with, these provisions. As the PSMPC Workplace Diversity Report (2001: 30) comments: "Best practice policies for

managing work and family involve a demonstrable commitment by senior managers, training to give managers the ability to manage work-life initiatives effectively and to give them an understanding of the issues involved, and encouragement for staff to use the provisions available to them."

## Conclusion

It is encouraging to see the links developing between the work and family agenda, and the "employer of choice" and "managing diversity" agendas. This helps us to see that business depends for its success on recognising and accommodating the diverse needs of the people who make up the workforce, and therefore that these programs should not be seen as optional extras but as integral to core business strategies in both the public and the private sectors.

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