

## FLEXIBLE WORK PRACTICES – RACE ON

Employers are being forced to recognise a new work-life balance imperative.

story by Maria Walsh

Mix together an ageing population, a new set of expectations about work-life satisfaction, a whole wad of national skill shortages, a booming economy– and what do you have? Some quite alert and anxious employers who suddenly see flexible work practices as the most sensible thing on earth.

For the first time in Australian history there will soon be fewer people entering the workforce than leaving it - i.e. a dearth of human capital – and according to Kerry Fallon Horgan, managing partner of specialist consultancy Flexibility At Work, competition for that dwindling resource is hotting up.

‘I have noticed increasing pressure on companies to provide flexible work options, and this has been caused by a number of driving forces that have converged,’ she says. ‘But regardless of these, the fact is that values are changing – work-life balance is a priority issue for men and women of all ages in the workforce. With globalization and the 24/7 economy, people can see that work could take over your life – you could just burn out. Women are tired of juggling and stress. The challenge for the employer is to attract and retain good staff - to provide conditions that make them the “employer of choice.”’

### The impetus is generational change

Certainly the language about diversity and flexibility are exactly the same as they were over 10 years ago but there is a new fervour and seriousness from the marketplace which packs a punch to employers. A social researcher, Mark McCrindle, describes the Y Generation (the 12-26 year olds who will crest the next generational wave of employees) in a 2006 report “New Generations at Work, Attracting, training, retraining and retaining GenY.” Theirs is the generation which seems to crystallize the current employee mindset.

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and life - life wins.**

According to McCrindle, Generation Y has been brought up in an environment where there was ‘little job security, a competitive environment and no employment guarantees.’ Their response? To see their life stages more like a “mosaic”- a cluster of phases that include



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education, work, recreation, and travel at intermittent periods of their lives, rather than the linear pattern of the past. They are not looking for “advancement” but “opportunities/challenges”. They are drawn less to high dollars than high levels of “interest and fun” – they prefer to work in teams and projects rather than engage in ambitious career struggles.

Ironically, this suits the current stage of baby-boomers (who, at ages 42-60 are on the rungs towards retirement) right down to the ground. ‘After 25 years of working, baby boomers don’t want to retire entirely, but they don’t want to keep working at that same intensity either,’ says Shane Freeman, ANZ Bank’s Head of Human Capital, ‘They want to make room for other things in their life.’ Enter the automatic entitlement to part-time work for all over-55 ANZ staff – a very smart move in an environment where the average age of accountants in Australia is creeping toward 50. ‘We were finding that we were losing good staff at a stage in their life where they had a great deal of experience and skills to give – and they often did continue using them outside the organisation. Now they stay instead,’ says Freeman whose task in the last 5 years has been to manoeuvre an organisation of over 30,000 staff into a position of readiness for this new demographic by offering a range of flexible work practices.

### The butterfly effect of an ageing population

The impact of an ageing workforce seems to be the single

most significant feature of human capital management strategy. McCrindle refers to it as the foremost of the major shifts which have 'radically re-defined the workplace'. The most often quoted statistic is that, by 2051 25% of Australia's population will be over 65.

The spillover of this statistic? Each segment of the workforce is now carefully examined for its potential greater contribution. The haemorrhaging of women from the workforce, as a result of child-bearing/rearing (not returning from maternity leave), glass ceilings (leaving to form their own businesses) or sheer frustration with career paths not conducive to rearing families, is now something that is given much more serious consideration.

The seemingly erratic employment behavior of Generation Y (often complained of by employers as being "disloyal" in nature) is being analysed to identify work environments that will attract and retain them. "Diversity" is considered good – what with globalisation and the value of understanding different cultures. And of course more mature workers – far from being considered outdated and stuck in their ways, are revered as vehicles of organisational wisdom and skill. Not only are they needed for their skills, but their presence and profile is needed in those industries that cater to the increasingly large mature end of the consumer market.

But, surprisingly perhaps, the policy solution for all these employee groups is uncannily similar. They want quality of life – an emphasis on continual training/retraining, opportunities for advancement/development and a variety of flexible work arrangements (working from home, job-share, part-time, flexible hours/days) – without diminution of status or opportunities.

Certainly flexible work practices have been around for a long time – but there has been a gap between the rhetoric and the practice. Now, with the ball in the employee's court, and a renewed fervour for quality of life (or as one respondent in the McCrindle report states: 'If there is a choice between work and life – life wins.'). Only those companies intent on making serious incursions into traditional work practices will win the day.

Doug Holmes, head of sustainability consultancy Monash Sustainability Enterprises, has noticed a marked change in attitude to flexible work practices, particularly in the last couple of years. For him the two triggers for this change have been the ageing workforce and skills shortages. Growth in the economy, coupled with labour shortages in particular sectors such as finance, banking, mining, construction and health, much of it caused by

'lack of planning and investment in the public sector', has 'stripped the labour market', he says,

One of Holmes' most recent briefs has been to provide data on the spending patterns of different

generations with a particular emphasis on the ageing (and growing) segment of the population. 'Accountants and skilled financial workers will be in very short supply by 2010/11,' he says. Yet financial services is one of the sectors for which there is an increased demand as people get older.

'Some banks, like (his major client) Westpac, are actively recruiting older workers to provide customer services to this group. I think those acting before the actual demographic point hits will be the successful ones. The skills shortage has bitten and companies need to work fast. Flexible work options are taking hold as a competitive edge to attract and retain staff.'

#### How it works at the coalface - ANZ

Shane Freeman, with the alarming but descriptive title of Head of People Capital and Breakout, has gripped the whole flexible work practices issue by the throat and is shaking it down to win the edge in the human resources race.

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'Flexibility, choice and control,' he says, are the three factors that govern what the new demographic wants at work. Job sharing is part and parcel of the system, providing family friendly practices is a matter of course and the retention of would-be-retirees a heavily targeted strategy.

'I am challenging the way that people are working. Why should it be the same as it has been for the last 50 years?' He pinpoints the nexus of the expressed needs of Generation Y and the needs of the current crop of baby boomers. 'Whether it's childcare responsibilities, aged care responsibilities or the desire to concentrate on other aspects of your life, the need for flexibility is apparent,' he says.

He also makes a call on the disparity between



KERRY FALLON HORGAN

the 'policies' for flexibility, and the reality. 'Most organisations will have the same words for the same types of policies,' he says, 'but that is only 20% of the story. You need demonstrable behaviors as symbols that help set the tone for people to let them know it is OK.'

A watershed for ANZ was the introduction of guaranteed part time work for staff over-55 in 2005. 'I was surprised at how much attention it got,' he says, 'but we wanted staff to feel that they could downshift – have a career extension - and that they have that as a right.' The result was a rise in the average age of retirement from just under 55 in 2001 to just below 58 in 2005.

'These people have got enormous organisational experience and historical knowledge. We are challenging the past "wisdom" of what age looks like. What's old anyway?'

### The flexible workplace management challenge

Freeman admits that managing a more flexible workplace certainly takes different, stronger management skills. 'But in a way it makes for better management,' he says, 'one that is very clear about the objectives for the area.'

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The bank has set specific targets for women in senior management and for that he is unapologetic. 'We set targets in every other aspect of our business, why not this one?'

And the real target is 'stopping the haemorrhaging. We have doubled parental leave entitlements; we are open to primary caregiver and partnership arrangements.' As a result, ANZ's return from parental leave rates have increased from 78% to 93% within a few years.

Freeman says he has a number of people working for him directly who are in flexible work arrangements. He says: 'I like my life balanced – my personal aim is to work away from the workplace on Wednesdays and Fridays.' Plus he says there are other people 'at my level' who have traded off pay for additional leave. 'It is a constant challenge to the traditional view of what goes into making up a job and how we work.'

Flexibility within the daily routine oriented banking environment is one thing – confronting the long-working-hours dominated culture of a professional law firm is quite another.

Malleson Stephens Jacques, one of Australia's leading law firms, is also keen to establish its work/life balance profile, with a 'suite' of programs entitled 'making work, work together'. After all, says Malleson's Media Manager, Dale Bryce, their professional services are 'all about people.'

'I have two young children myself,' he says, 'and the talks and speakers that are arranged (at his office) are something I really appreciate.' For Bryce the opportunity to exchange information about family lives with the whole range of staff attending the session, particularly the sharing of personal details, was bonding.

'It's just good to have someone from the outside that can highlight things for you. It prompted people to talk about their experiences – and all of us are at different stages of our lives.'

Malleson's also seems to have the Generation Y factor well in hand with strategies that provide training and international opportunities for their younger staff. One of McCrindle's suggestions to employers in his report (as above) was to take advantage of the "revolving door" syndrome – to keep the door open when younger staff leave to experience other companies and life situations. In fact Malleson's actually provides the introductions for overseas work, facilitates it and keeps the relationship going until they return.

'We are living in a period of rapid change and we are changing with it. And we need to keep attracting and retaining the best staff.' And it is wise that they should. With over 60% of law graduates being women, the face of law has changed.

### Enter the specialist consultant

One of the speakers Malleson's engaged as part of their family friendly program has been Kathy Walker who, as an education consultant, has found herself increasingly in demand as a speaker in workplaces. She is also author of a book, *What's the Rush?*, aimed at parents who are juggling career and family, particularly those with children at pre-school. 'My aim is to remind them that as parents they should not be driven by guilt into behaviors like scheduling kids into all these extra curricular activities. I give them permission to just go



KATHY WALKER

home and relax with their kids – eat a meal with them.’  
 ‘I ask people to examine what makes them so busy and whether it is really important. I ask them to gauge their definition of success. It is not the biggest income it is the quality of life.’

But do corporates want their staff to hear this? Kathy Walker says they do: ‘They don’t want their staff sick, depressed and unhappy.’

Kerry Fallon Horgan’s consultancy, Flexibility At Work, has built a business out of advising and promoting flexibility and quality of life. Her book, *Time On Time Out*, is based on an analysis of a wide range of companies and their response to the current trends.

In 2004 the peak of baby boomers turned 55, which Fallon Horgan says led to an ‘exodus of experienced people from the workforce.’ But here is an opportunity to overcome entrenched stereotypes. ‘We simply have to extend the pool of potential employees. It has led to businesses considering ways of re-engaging people who have actually left the workforce, to cater for the needs of those groups. And let’s face it there is ample evidence that people who are relaxed and happy in their role provide better customer service, have less absenteeism, and better productivity overall. And of course you retain them for longer.’

And the barriers to implementation of these new programs? Surprisingly she says they are fewer and fewer. ‘It is interesting that once you start talking about the quality of life and the quality of work that results, managers get very excited.’

But the key is training and setting an example at the most senior level, encouraging people who model the new practices. There are costs involved in setting up job sharing and working from home, she says, especially in the time taken to appraise more staff. ‘But the benefits outweigh the costs.’

**Flexibility is something that comes in many shapes and forms.**

Penny Holt of Seed Recruitment specialises in what she refers to as Flexible Jobs for managerial and professional people. Having been a lawyer and recruitment consultant for many years prior to having children, she understands the issues first hand. Hers is a fledgling company of 18 months which has been built on the growing demand of a work demographic defined by ‘lower birth-rates, people starting families later, women having reached

senior roles before having families and an overall increase in demand for flexibility from all quarters.’

‘There is a lot of competition for talent,’ she says. And flexibility is something that comes in many

shapes and forms. ‘It isn’t just about part-time – it is about shorter days, all sort of arrangements catering for all types of external responsibilities – like elder care for instance. And part of the challenge is attracting and re-training those who are returning to the workplace after a gap.’

Is it difficult to manage flexible work arrangements? ‘It is all about job design – once there is a click over to the idea it becomes a process of setting better targets and performance indicators – thinking about outcomes rather than time-watching. It does not have to be highly risky – it can be managed.’

Liana Gorman, of new company Part Time Online, is hoping to provide the first internet community space for employers and employees interested in flexible work practices. She wants to provide web-based information - examples, tools, case studies, data and job boards on the net - all focused on flexible work options. ‘There has been a whole social shift happening and no web-based platform to support this shift,’ she says.

She herself held a senior role when she decided to have children, then realised that coming back into the same role part-time was interpreted as having to do a full-time job in 3 days. She left. According to her own research, she sees myriad situations which lead people to prefer and look for non-fulltime jobs.

‘There is a change in people’s attitude to what they want out of life,’ she says, ‘especially those with families. But there are many other commitments people take on. Students who want to supplement their income while studying, people retiring but wanting to continue work. And the big market is the large number of people who for one reason or another have left the workforce because it can’t fit in with their needs – I don’t call it work-life balance but work-life integration.’

And she believes the impetus is great: ‘Companies are realising that unless they can attract and retain staff they lost productivity. It’s either part-time or no-time.’ □



LIANA GORMAN