

Flexible working:

Goodbye nine to five

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Flexible working: making the journey

The world today is a very different place from just 10 years ago, when the typical workplace filled up at nine in the morning and emptied at 5.30pm like clockwork. As the demands and expectations of our 24/7 consumer culture grow, the UK is moving towards a fully flexible future, with organisations increasingly recognising the benefits of working more flexibly for both staff and their bottom line.

Technology has been a huge driver of this change. Virtual meeting software, high-speed broadband and mobile networks help us to engage with work wherever and whenever we like. Work used to be the place you turned up to – now, it is increasingly something you can do anywhere, at any time.

In 2008 Cranfield University and Working Families released the results of a two-year study into flexible working. They showed that the performance of employees working flexibly either improved or stayed the same when self-assessed and, more importantly, when assessed by their managers. More specific research into remote working also showed significant benefits to business. A study by Stanford University showed a marked rise in the productivity of staff working offsite, with a 13% performance increase in those working from home and a drop in job attrition of 50%. Staff took less time on their breaks, were sick less often, and answered 4% more calls per minute than their office-based colleagues.

Once seen as something only for carers or the less career-minded, flexible working is steadily becoming the norm across the board. Gender is no longer a decisive factor and the number of men working flexibly is on the rise. Currently the full-time workforce splits at a ratio of 2:1 male to female, and the part-time workforce splits 1:3 male to female. However, this imbalance is steadily declining, with more men taking up part-time and flexible working, indicating a real change in how flexible roles are viewed.

The Institute of Leadership & Management wanted to find out just how far UK organisations have come on this journey – and what, if any, are the barriers holding them back.

The nine to five is no longer the default option for UK business. It's becoming increasingly acceptable, and beneficial, to implement more complex working patterns and reap the returns that they bring for both employers and their staff.

1. Flexible working and performance, Cranfield University School of Management, 2008

2. Does working from home work? Evidence from a Chinese experiment, Nicholas Bloom, James Liang, John Roberts and Zhichun Jenny Ying, Stanford University, 18 December, 2012

3. Office for National Statistics, Q3 2007 and Q3 2012 statistics on part time working

What is flexible working?

In our research study, flexible working was described as 'a set of practices which give employees flexibility on how long, where and when they work.' Drawing on the FT Lexicon, we asked respondents whether or not their organisation used:

1. Offsite working (eg working from home)
2. Flexible hours (eg working different hours within agreed parameters, taking 'time off in lieu', working compressed weeks)
3. Job sharing
4. Part-time working/variable part-time working



Executive summary

Almost all (94%) UK organisations now offer staff some form of flexible working and 73% of managers say their organisation is largely supportive of it. In fact, flexible working is now standard practice in half (50%) of the companies surveyed, with four in five managers saying they had taken advantage of flexible working at some point in the past four years.

For the first time, the gender balance in flexible working is beginning to even out. As many men are working flexible hours (60%) and from home (56%) as women (61% and 56% respectively), showing a real and practical shift towards flexible working for all. The only differences remaining are in those working in job share or part-time roles, but here men are quickly catching up with their female colleagues – 38% of managers said male members of their team worked part-time, and 13% had men working in job share roles.

Attitudes are changing too: 82% of managers think that flexible working is beneficial to their business, reporting improvements in productivity, commitment and retention of staff, while 62% think it helps organisations better respond to customer need. Those with experience of flexible working are the most positive, particularly CEOs, who are both most likely to think it benefits their organisation (93%) and to have recently worked flexibly themselves (88%).

However, not all managers are positive about working flexibly. Those with no experience of this working style are more negative about its effects, with 27% of this group saying it wouldn't benefit their business at all. These cultural barriers are small, but significant. A third (31%) of respondents have heard colleagues make derogatory comments about those working flexibly, and 27% think flexible working is inappropriate for managers. One in five think the decision to work flexibly would be 'career limiting' in their organisation, indicating an ongoing undercurrent of negative opinion around flexible working.

Over half (51%) of managers are also concerned about the prospect of shared parental leave disrupting workplaces and, until the practicalities of these changes are clear, these fears are likely to linger.

Managers are clear about the skills they need to lead a flexible workforce. Being a strong communicator (88%) with the ability to give clear instruction (87%) is absolutely vital. Managers identify that flexible leaders need to be effective at planning (87%), and performance management and target setting (83%). These skills are very closely aligned with those we identified in its 'Talent Pipeline' research. Organisations seeking to develop managers capable of leading flexible teams should continue to focus on these core management skills, which become even more important when leading teams working flexibly.

Managers also identified the skills and characteristics needed in order for employees to work flexibly. The ability to manage their own workload and produce results is seen as essential, with good time management (93%) the most important factor when deciding if employees should work flexibly. Being a trustworthy member of the team (92%) and being committed to the team and organisational goals (91%) are also seen as must-have attributes for flexible workers.

For all the progress made so far there are opportunities for organisations to take flexible working even further.

Model the way

We know that experience breeds positivity, so organisations battling negative attitudes should try out flexible working in a controlled way, monitor the effects and, if positive, roll these programmes out more widely. Research indicates that flexible working increases, rather than decreases, productivity and wellbeing. If organisations try it, they might well find that they like it.

Communicate clearly

Negative attitudes towards flexible workers are often prompted by a sense of unfairness and poor communication from senior management on policy. Employers need to recognise that flexible working is happening in their organisation, whether informally or formally, and establish clear policies and criteria for acceptance of both types. Openness and honesty about these flexible working policies can alleviate worries and uncertainty, bringing to light the opportunities it provides for both employers and employees.

Develop core skills

Great managers are great managers, and the core skills needed to lead flexible teams are the very same skills managers require to work and lead effectively in any environment. Strong communication skills, the ability to plan workloads effectively and clear goal-setting are all essential when teams are working flexible patterns. By focusing on developing this essential set of skills in their managers, organisations can ensure they are well equipped to meet the needs of a flexible workforce and get the best out of their flexible teams.

Manage on performance

The increase in flexible working goes hand in hand with the realisation that management focus on productivity and performance is much more important than counting hours in the office. Managers who evaluate success through what has been achieved and, crucially, who share those achievements and successes with their colleagues across the business, will help to proactively raise awareness of the mutual benefits of flexible working.

Think differently

Not all jobs will naturally fit into the five days a week, eight hours a day model. At job creation and recruitment stages, HR departments should feel enabled to create roles that reflect the work those jobs entail. Structuring roles in this way will allow employers to target a fast-growing part-time talent pool. The steady increase, particularly among male employees, in people working part-time and in job shares, indicates that the desire for this work is there – organisations just need to develop the roles and the talent will follow.

73% of managers say that their organisation and colleagues are supportive of flexible working

82% of managers think flexible working benefits their business

Report findings

Flexible working has made the move into the mainstream, with 94% of the organisations in this survey using flexible working of some kind. The option to work flexibly is on its way to becoming standard practice for half (50%) of organisations, with only a small percentage (6%) offering no flexible working options at all.

The new normal

The majority (94%) of UK organisations now offer flexible working, whether that is contractually agreed (formal) or more casually organised (informal) – see Figure 1. The prevalence of flexible work patterns has altered attitudes – no longer considered as a perk or only available to the few, flexible working is now widely available for all employees in an organisation.

Almost three quarters (73%) of managers feel staff are generally supportive of flexible working in their organisation, and 50% of managers would go so far as to say that flexible working has become standard practice where they work (see Figure 2). The majority of organisations (62%) also have senior role models working flexibly in some way.

Four out of five managers (79%) who took part in the survey said that they were currently working flexibly and nine out of ten managers (89%) said that they had done so at some time in the past four years, suggesting that flexible working really has become the new normal.

Managers have become so used to these flexible working patterns that their decisions to recruit or promote someone are not affected by their working style – 85% of managers say that knowing a manager worked flexibly has no impact or a positive impact on their decision to recruit someone, while 89% say it has no impact or a positive impact on promotion decisions.

Flexible working is no longer seen as only available for mothers or primary carers, and just 9% of managers feel that only these requests are considered in their organisation. While legislation exists to ensure flexible

working requests are considered for parents and those with caring responsibilities, most managers feel that their organisations have moved beyond this. A fully flexible future is well on the way, with 70% of managers believing that everyone has the right to work flexibly.

Technology has been a key driver of this change in the way we work. Almost four in five (79%) respondents say modern ICT has made flexible working more widely available and feasible, while just 17% feel held back by their current IT services.

Gender balance

Men are just as likely to be working flexibly as women, with just a two percentage point difference in those who have worked flexibly at some point in the last four years (88% of men and 90% of women). Managers in our survey say that male members of their teams are just as likely to be informally working flexible hours (60%) and working offsite (56%) as their female counterparts (61% and 56% respectively). The same is true of more formal arrangements, with 57% of men and 60% of women working contractually agreed flexible hours and 29% of men and 28% of women working offsite on a contractual basis (see Figure 3).

The only disparities between the sexes come in part-time working (38% of men and 63% of women) and job sharing (13% of men and 22% of women). While there are still fewer men than women working part-time and in job share roles, ONS statistics show that the proportion of men working part-time has been increasing steadily for the last 20 years.

These findings reflect the changing perception of workplace gender roles in wider society, which is accelerating the process of change in organisational behaviours. The more both men and women are able to work flexibly, the faster this change will accelerate, leading to a culture where choices over working hours and locations are driven by the financial and personal benefits rather than established gender roles.

Business benefits

Most managers see that there are clear benefits for organisations and staff as a result of flexible working (see Figure 5). Four in five (85%) feel that allowing staff

to work flexibly enhances staff wellbeing, 78% say it helps to retain staff and 64% believe it increases an employer's ability to attract talent.

As well as being appealing to employees and boosting their wellbeing, managers believe it also helps organisations to deal with the increasing consumer expectations of round-the-clock customer service. Two thirds (64%) of managers say flexible working allows better matching of the workforce to organisational need, filling the gaps that would be left by the traditional nine to five.

The current 24/7 consumer culture also is proving to be a key driver of diversity. As flexible working patterns become essential for businesses to compete in this market, it also becomes more acceptable and desirable as a working style for both genders. The more managers of both sexes are seen working flexibly, the more this becomes the accepted workplace norm.

Practice makes positive

Those with experience of working flexibly are most positive about the benefits it brings to their organisation (see Figure 6). Four fifths (82%) of managers working flexibly say it benefits their organisation, but those without experience are less enthusiastic about the effect they think it would have – while 63% think it would have a positive impact, a quarter (27%) think it wouldn't benefit their organisation at all.

With flexible working, experience is key. Those who are inexperienced are understandably wary about the impact it might have on productivity and teamwork, but it would seem these fears are unfounded. As demonstrated by the experienced flexible workers, the overwhelming majority feel it has been a benefit both to their business and the employees involved.

CEOs are a case in point. They are the group most likely to have worked flexibly in the past (81%) and to currently be able to work flexibly from home (77%), and the group who are most positive about the organisational benefits (93%). They also think their teams are more supportive of flexible practices than the average employee – 83% think their staff are generally supportive compared to the average of 73%.

Figure 1: Informal and formal flexible working

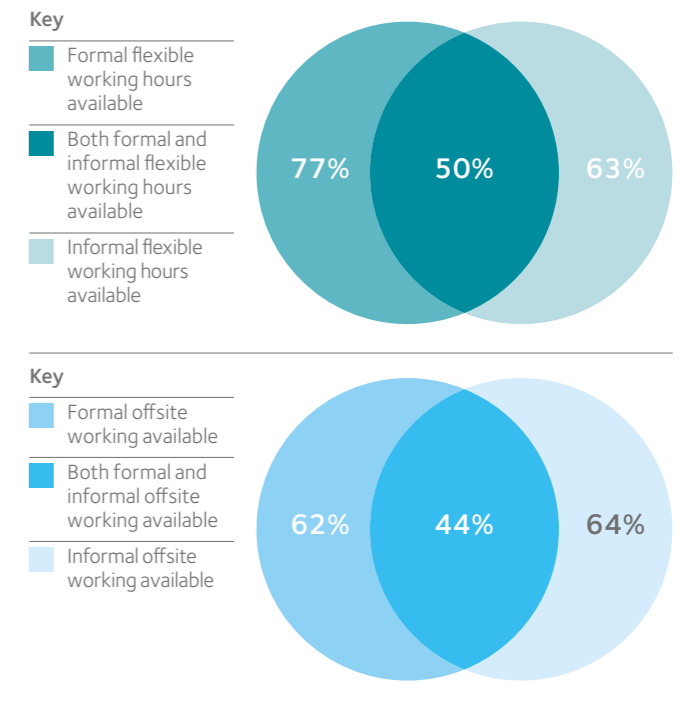


Figure 2: Attitudes to flexible working

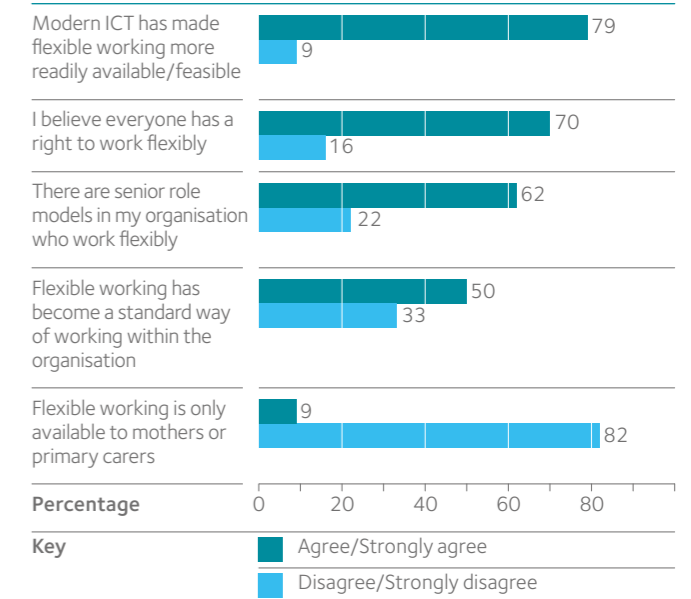


Figure 3: Team members working flexibly by gender

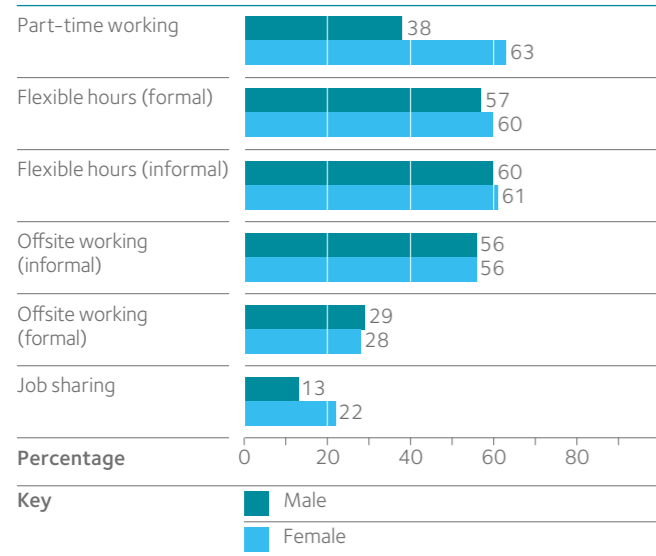


Figure 5: Benefits to business

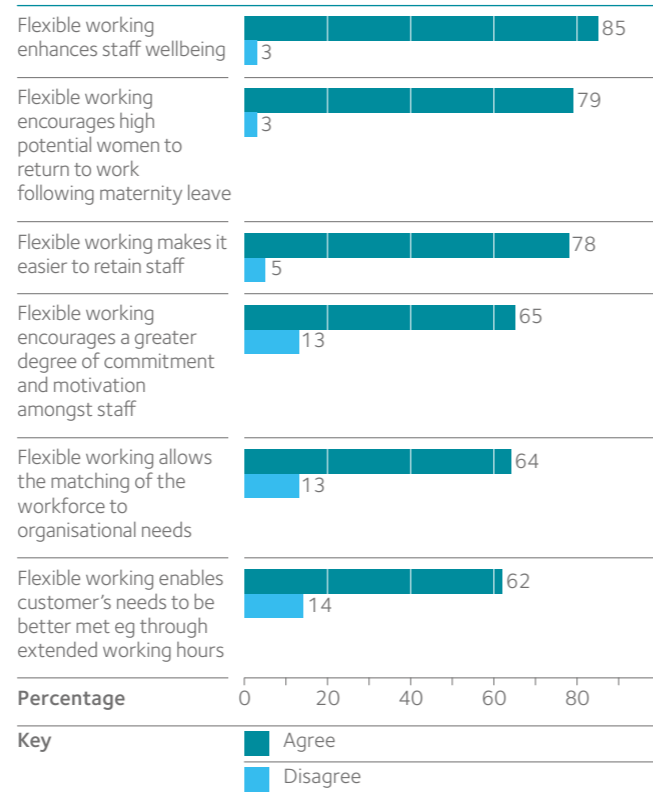


Figure 4: Level of personal flexible working

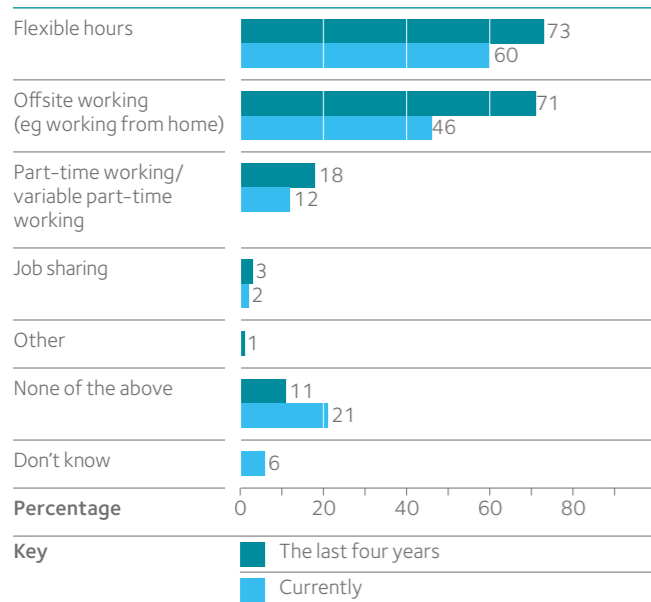
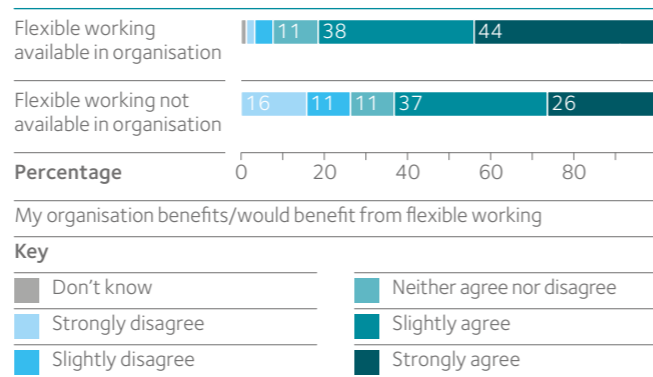


Figure 6: The impact of experience



The inflexible few

The remaining barriers to flexible working are largely cultural, with a visible undercurrent of negativity and resentment still surrounding flexible working. Almost a third (31%) of managers have heard colleagues make derogatory remarks about flexible workers, while almost half (48%) say that allowing some people to work flexibly causes resentment within teams and 15% say they have personally felt resentment towards colleagues working flexibly.

There are concerns around commercial issues too, with two in five (41%) worried that flexible working could cause problems with clients and 38% saying it can lead to an unfair distribution of work across teams. One further third (33%) say they have had to undertake extra work because of a colleague working flexibly.

The way in which flexible working policies are communicated and implemented has a huge bearing on their success. These concerns indicate that some managers still harbour a negative 'them and us' attitude when it comes to flexible workers, often the result of poor communication from employers. Even some managers who are positive about flexible working feel unsure about their own company policy, with only 57% agreeing that policies are clearly communicated.

There is also some visible or perceived resistance at organisational level. A third (33%) of managers say that while their organisation has policies in place when it comes to flexible working, the company does not fully embrace it, and of the managers not currently working flexibly, 32% say they would like to trial some form of flexible working but feel that they cannot ask for it. Just over a third (35%) say flexible working is still not standard practice where they work.

These residual negative attitudes to flexible working at both employee and organisational level indicate that UK plc is currently in a transitional period, moving from rigidly controlled to a truly agile workforce, and there is still some distance to travel.

Flexible working has ceased to be innovative or unusual, but is now having to overcome the last few cultural barriers to become truly accepted. Organisations that trial flexible working in a controlled way, communicate their policies clearly, and openly and honestly discuss these opportunities are less likely to encounter these negative attitudes.

Appropriate for all?

Managers in the survey express general doubts over whether flexible working is right for those in people management roles. Over a quarter (27%) of respondents feel that flexible working is inappropriate for managers, with one in five (22%) agreeing that working flexibly would be 'a career-limiting move' in their organisation.

The group who are the most tentative about flexible working are first line managers. They are the least likely to have worked flexibly in the last four years (86%, compared to 91% of middle managers, 95% of senior managers and 95% of CEOs). They are also specifically the least likely to have worked offsite, with just 60% working remotely at some point in the last four years compared to three quarters (75%) of middle managers, 85% of senior managers and 88% of CEOs.

Many first line managers will naturally see their role as directly supervising others. If they are not present in the office, they are likely to feel concerned that they cannot monitor the input and productivity of their teams. This is a typical 'command and control' view of the role of the first line manager, and while it is an understandable attitude, it could suggest a potential lack of trust in people in their team.

A measure of a highly effective workplace is one where first line managers can absent themselves from the office without it being a problem, as their teams are highly skilled, disciplined and self-managing.

Remote control

Most managers are confident about managing flexible teams, but there are some concerns around performance management, particularly of those working remotely.

Flexible working has required a shift in focus for managers – 44% of all managers say they have had to change the way they work to make flexible working viable, while 28% have had to invest more management time with direct reports working flexibly.

Those with no experience of flexible working are more wary of these changes. Over half (54%) of the managers with no experience of managing flexible staff (a small base) feel that they would have to change the way they work to make flexible working possible, while 44% are concerned about scheduling meetings with their teams.

Almost a third (29%) of all managers agree that flexible working makes it harder to manage the performance of their direct reports. Those working offsite were identified as the hardest to performance manage, with remote working causing most concern across all the areas of performance management (see Figure 8).

Dealing with personal and professional issues (63%) and ensuring effective team working (63%) are the toughest performance management issues for remote workers. Building a personal rapport with those offsite is also a worry for 55% of managers.

Ensuring remote workers make the most efficient use of their time (60%) and work to their maximum capacity (54%) was seen to be harder than with office-based staff, indicating there is still a lack of trust among teams.

These are valid concerns; many managers are still more accustomed to monitoring the input of their staff than their outputs. But with a competent team who are engaged with and committed to their work, their physical location when doing that work should have no bearing on the results.

Assessing flexible workers

The fundamental requirement for employers considering flexible working requests from staff is that they can do their job well. Good time management (93%) was seen as the most important trait when considering whether to allow someone to work flexibly, followed by trustworthiness (92%) and commitment (91%).

Employees also needed to have a proven track record of high performance (87%), be good communicators (84%) and self-starters (83%).

Trust is important – but this is something that employees can only really establish if they are given the autonomy to perform their roles without constant supervision. Managers who grant their teams that autonomy are able to assess whether they can trust them, how well they are managing their workload under direction, and their commitment and motivation. Rather than a focus on hours in the office, the focus needs to shift to outputs and results. Experience and time in role is not important (61%) – instead, a proven track record of results and demonstrable dedication are key factors in the decision.

Skills for a flexible future

Communication is the most important skill for managers of flexible teams, with 88% saying it is vital and 87% saying the ability to give staff clear instruction is either very or extremely important. While communication, a core management skill, is always essential, it becomes absolutely indispensable when distance is introduced. Effective planning (86%) and target-setting (83%) are also highlighted as key skills for managers of flexible workers, who must also be able to translate wider business goals into achievable targets for their teams and ensure the workload is evenly and fairly spread.

Competent and capable managers will already possess strong communication and goal-setting skills. These requirements for managers are nothing new, but flexible working can highlight any areas where managers are in need of additional support.

Developing these core skills sits right at the heart of good leadership and management. An organisation whose managers have the versatility to be effective in any environment, whether that is with remote staff or those working in the office, will ultimately be better placed to reap the benefits of a highly skilled and adaptable workforce.

Figure 7: Negativity about flexible working

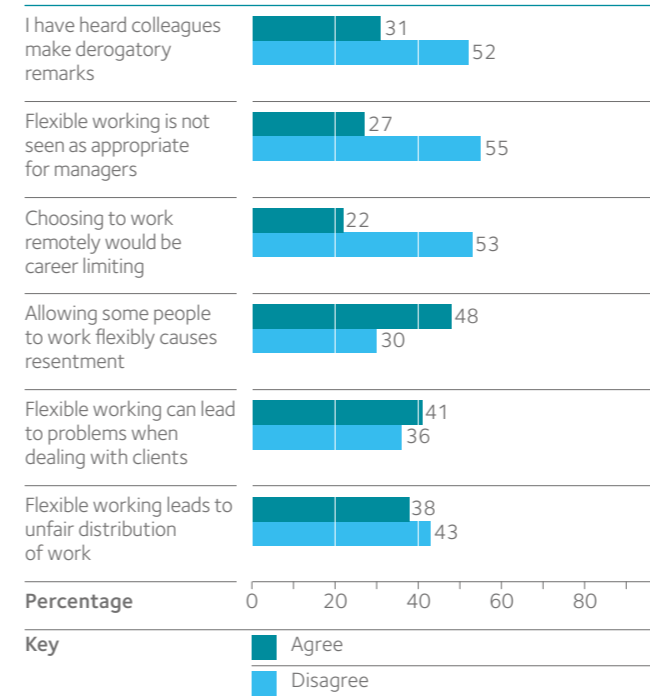


Figure 8: Challenges of performance managing flexible workers



Figure 9: Important characteristics for flexible workers

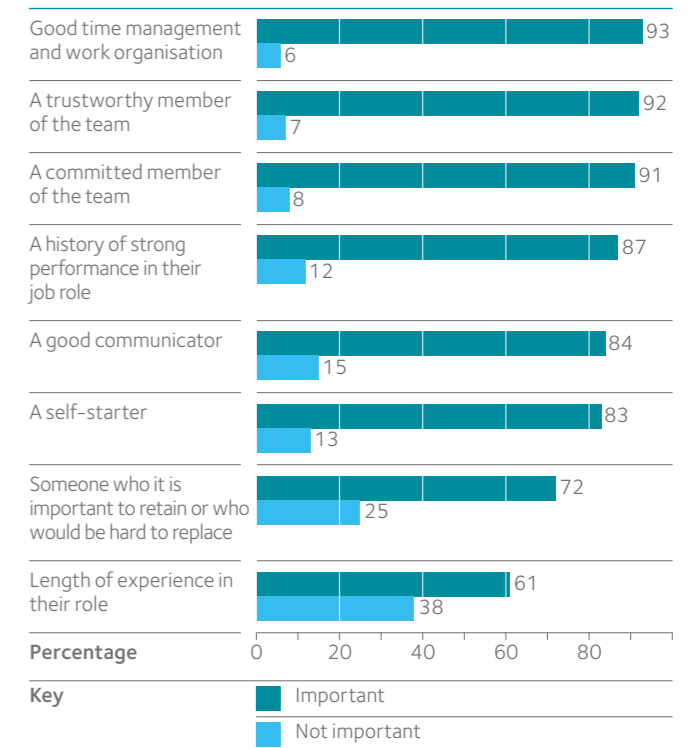
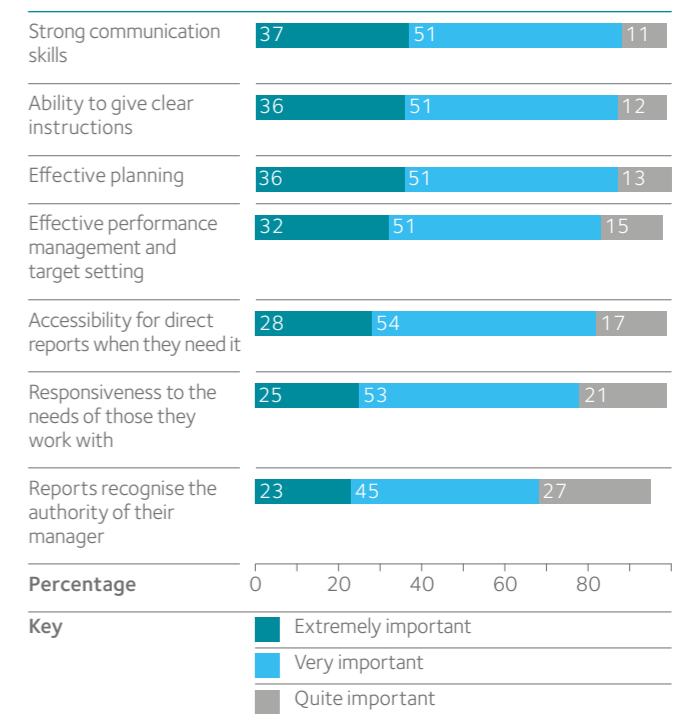


Figure 10: Important skills for managers of flexible workers



Recommendations

This research demonstrates just how far the UK has moved towards a fully flexible workforce. Many employers and managers now recognise the major opportunity that this shift presents and are successfully implementing flexible working across their workforces.

However, there is doubtless still some work to do. To fully embrace flexible working, organisations need to overcome the remaining cultural barriers evident in this report.

We believe that the very concept of flexible working calls for flexibility of thinking within organisations. There is no 'right way' to implement flexible working – it rests entirely on the demands of a particular organisation – but employers can implement clear frameworks and guidelines that will assist in its success.

Be open and honest

Many of the remaining negative attitudes to flexible working can be explained by a lack of effective communication of flexible working policies for staff. Our survey reveals that while 94% of organisations have employees working flexibly as part of their contract, 84% are using informally agreed flexible working. It is often these informal arrangements between manager and employee that can cause resentment, as decisions on flexible working can seem arbitrary or even suggest favouritism to those outside of the relationship.

Employers need to recognise this informal flexible working is happening and set out guiding principles for managers on how to assess any flexible requests. They should develop clear policies for both contractual flexible working and the ever more common informal agreements, lead open and honest conversations with employees about flexible working, drive discussion around the benefits to the business, and hear each case for flexible working on its merits and against agreed criteria. These steps will help avoid any feelings of resentment and promote an honest and open culture towards flexible working.

Try it, you might like it

While the majority of staff in UK organisations are supportive of flexible working, a small but significant number are resistant. These inflexible few often have no experience of flexible working and feel they can't ask for it in their organisation.

One solution is to trial flexible working in a controlled way. Employers are already required to consider flexible working requests from parents and carers, so expanding this to include all staff for a limited trial period can help organisations decide if flexible working works for them. Ensure that any trial is given enough time to establish itself so you can see if it has an impact on carefully selected success measures, such as attrition rates and productivity.

Research suggests there will be an upturn in both wellbeing and productivity, both strong reasons for rolling out any trial programmes on a wider basis. The key to getting this right is being flexible on both sides, and making sure the arrangement benefits both the individual and, importantly, the business.



My business is built on flexible working. It means I attract and retain very good, committed and loyal people who are never worried about work/life balance as that is at the heart of our business values.

Private sector CEO, 10–49 employees

Go beyond greatness

Great managers are great managers, whatever the environment. Core management skills, while fundamental for any manager, become even more important for those leading flexible teams. Focus on developing the communication, planning, target-setting and team-working skills in your managers and you will upskill them to be effective in any environment.

Manage outputs, not hours

One of the best indicators of effective management is the extent to which it measures outputs, not inputs. The notable shift towards flexible working represents a change in thinking – performance is no longer measured by attendance, but instead by who is producing results.

First line managers in our survey are the least likely to be working flexibly, demonstrating their own lack of confidence in managing flexible teams and performance management in particular. The confidence to work in this way needs to come from the employer; by investing in the core management skills and communicating effectively with their employees, this fear should fade away. While there are certain roles that simply would not work in a flexible fashion, most organisations that don't implement flexible working are displaying a symptom of a more fundamental management problem.

More than the nine to five

While more organisations are offering flexible hours and remote working, part-time and job share roles are still comparatively rare. Rather than considering a job share or part-time role only at the request of staff, as is often the case, consider designing a variety of roles at job creation stage. Not every job will require a 35-hour week. As both consumer and employee demand for flexibility increases, managers and HR departments can start to think creatively when developing and recruiting for new roles, opening up a whole new pool of talent.

Flexible working is here to stay. Happily, the vast majority of organisations have embraced it and are seizing the opportunity to better their business in all sorts of ways, from staff wellbeing to the bottom line. The old technological obstacles to flexible working have been well and truly overcome. Now, the barriers are largely cultural, and it's a question of changing attitudes and shifting perceptions. Focus on overcoming these, and businesses will be able to fully realise the benefits of a truly flexible workforce.



Methodology

In our previous research (Ambition and gender at work, and Women in banking), we identified flexible working as critical in enabling talented women managers to overcome the challenges of balancing their personal and work life. We also identified a significant generational shift in attitudes to working amongst younger employees (in Great expectations: managing generation Y), which included an expectation of greater flexibility in how, when and where they worked. This previous research inspired our decision to explore flexible working in more detail.

For the purposes of the research, we defined flexible working as allowing employees flexibility on how long, where, when and (to some extent) how they work. This encompasses:

- Flexible hours
- Offsite working
- Time off in lieu
- Compressed weeks (a standard week's work in less than five days)
- Job sharing
- Part-time working
- Variable part-time (mixing full- and part-time) working

In exploring flexible working, we set out to discover

1. The availability and take-up of flexible working, plus any barriers to flexible working
2. Whether the different types of flexible working are available to all employees or in different types of organisations

3. The attitudes of managers towards those who work flexibly
4. Any anxieties that managers may have about managing people who are working flexibly
5. Any link between the attitudes of managers towards flexible working and their skills in managing it
6. The effect, if any, that flexible working has on the way that performance is assessed

The fieldwork for the survey took place in December 2012, with 1,026 practising managers taking part, drawn from The Institute of Leadership & Management membership.

The sample was broadly representative of the UK manager population¹ in terms of age and ethnicity, and in the level of seniority and sector of employment. There was some over-representation of female respondents and of those working in the public sector, but this variation has been allowed for in presenting the findings; in practice it has not had any significant impact on the research or its conclusions. Where a difference between any of the responses is reported, these differences are statistically significant at the 95% level of confidence.

To reduce potential bias, where respondents were asked to rate different aspects of flexible working, the options available were randomised in presentation to each respondent to prevent the order affecting responses.

All respondents took part anonymously, but they were offered the opportunity to enter into a prize draw as an incentive to take part and were also asked if they were willing to be interviewed for case studies. The research was conducted in line with the Market Research Society (MRS) Code of Conduct.



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