

# Work/Life Initiatives

## The Way Ahead Annual Survey 2004

Executive Summary

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WORK



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## Introduction

This is the seventh year that this research has been conducted throughout Australia and we acknowledge the ongoing support of CCH Australia. Over three hundred organisations (total 310) from both the public and private sector participated, providing data that quantifies achievements and identifies future priority areas. A high percentage of respondents have now participated in more than four of the annual surveys and have seen their efforts rewarded by the enhanced involvement of their management team and a greater ability to attract and retain skilled employees. The research is (we believe) the only longitudinal study of its kind being undertaken in the Asia Pacific region.

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During the life of this study we have observed many changes in work practices and initiatives designed to meet the needs of both business and employees in the management of work/life responsibilities. Our work with a broad range of clients in the Asia Pacific Region, and data from these surveys has demonstrated the key role that CEO's, Managers and Team Leaders play in the successful implementation of the work/life strategies. For the first time this year we have 'tested' the level of commitment by business leaders to the work/life strategies by asking questions, not only about their commitment, but also about their behaviours that demonstrate this commitment.

The issues relating to the 'long hours culture' have been attracting a great deal of attention in the media and within organisations over the last 18 months. Respondents to this survey indicate most strongly that they believe staff would be more productive if they were allowed to choose their own time and place of work, with absenteeism and sickness falling dramatically. We also found that many felt that the long hours did not increase productivity and employees were working harder but not smarter.

It is very encouraging to report that we have further statistical evidence that confirms the business benefits resulting from the implementation of work/life strategies. In particular, Best Practice organisations have fewer stress related absences, lower turnover and increased employee motivation. They indicate that they have reliable data that signifies work/life strategies have contributed to these results.

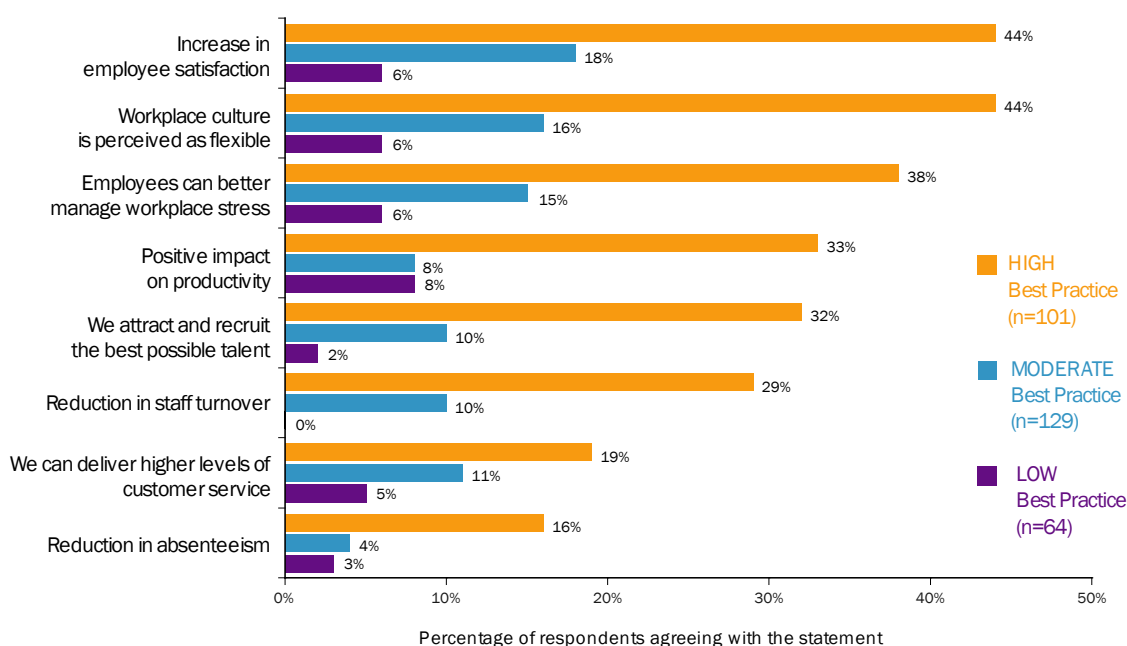
## Headlines for 2004

### Business Benefits

Data collected this year shows that overall work/life issues have contributed to the bottom line through:-

- ❖ reduced turnover by an average of 4.5%
- ❖ reduced absenteeism by an average of 3.5%
- ❖ increased return rate from parental leave by an average of 24%
- ❖ increased employee satisfaction by an average of 11%

Our evaluation process produced reliable data demonstrating...



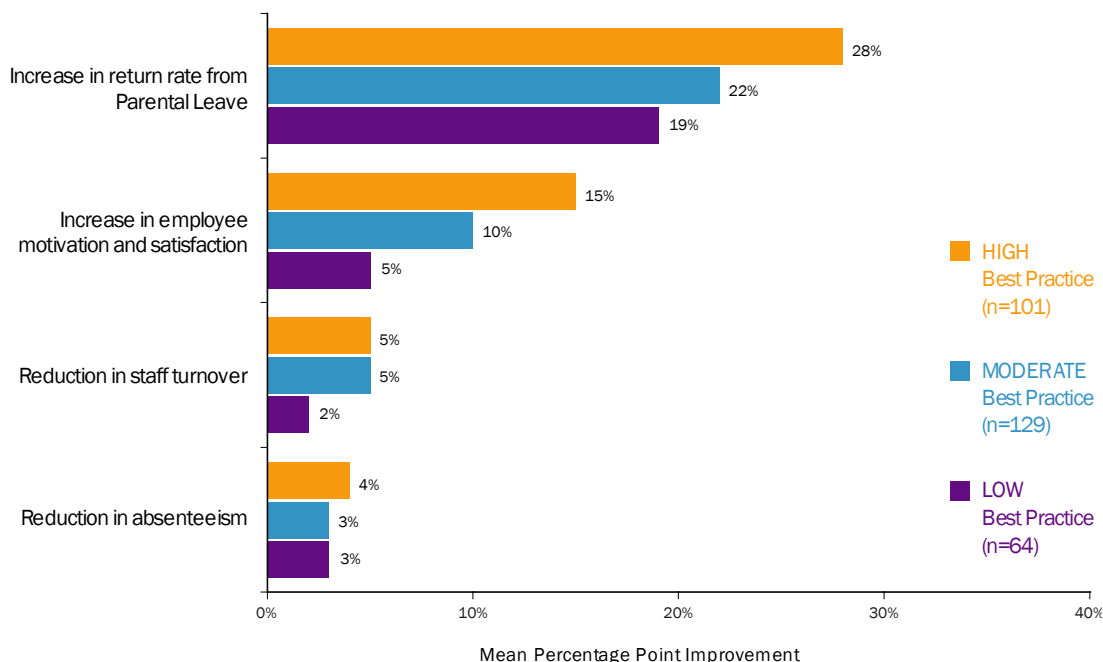
#### Plus;

- ❖ 20% of organisations, with less than 250 employees, say that they have reliable data that shows their **work/life strategies have had a positive impact on productivity**.
- ❖ 15% in White Collar / Service Intensive industries report that there has been a **positive impact on client / customer service**. This increases to 27% within Business Services / Consultancy organisations.
- ❖ **5% of Best Practice organisations**, compared with **11% overall**, have observed an **increase in staff turnover related to the lack of flexibility in the workplace**. This compares with 19% in the lower ranked organisations.
- ❖ **13% of Best Practice organisations**, compared with **24% overall and 34% from Banking / Insurance / Financial Services**, have recorded an **increase in stress related absences** during the last 12 months.



- ❖ **4% of Best Practice organisations (5% in 2003), compared with 15% (19% in 2003) overall, 29% in Banking and 15% in Law / Legal Services, have observed an increase in turnover due to the long hours culture.**

Our current data shows the following percentage point improvement...



## Important New Issues

### Leadership within Organisations

During this last year, Managing Work | Life Balance consultants have undertaken a number of projects that have involved extensive international data searches and discussions with managers in Best Practice organisations. The data re-confirmed the view that managers and team leaders play a critical role in the implementation of work/life strategies and the modification of the work practices in order to be better able to respond to the work/life needs of employees.

#### WHAT WE FOUND - THE GOOD NEWS

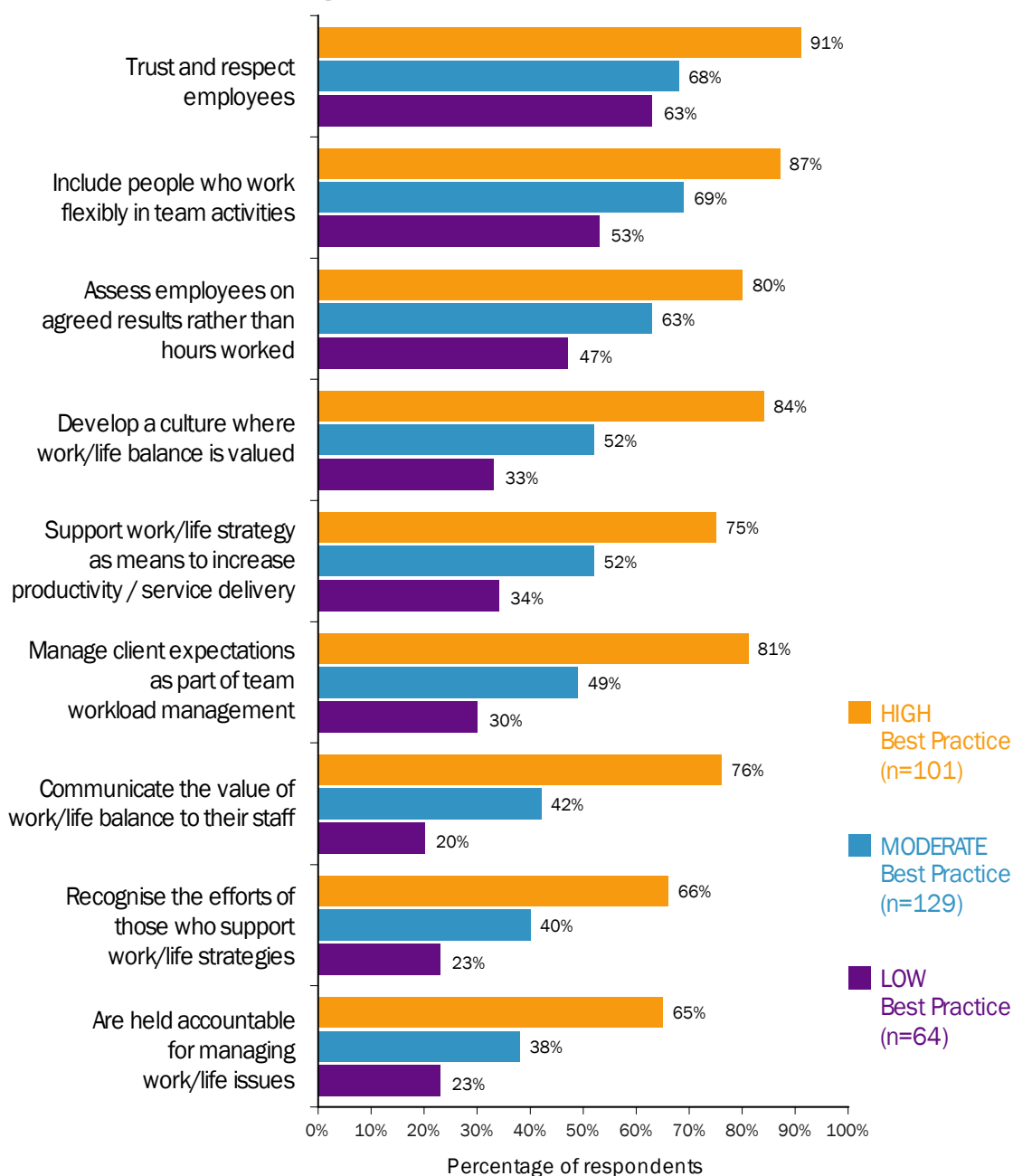
There are some very positive indications that a relatively high percentage of leaders are now becoming more aware of, and more committed to, the implementation of work/life strategies and the development of a supportive workplace culture. In this survey, over half (57%) (80% of Business Services Consultancy and 84% of Best Practice organisations, compared with 33% in the lower ranked organisations) agree that their leaders are focused on developing a culture where work/life balance is valued. In addition, 74% overall (91% of Best Practice organisations, compared with 63% from lower ranked organisations) agree that their leaders trust and respect their employees.



More supportive workplace behaviours are reported where almost two thirds 64% overall (80% in Best Practice organisations, compared with 47% in lower ranked organisations) say that their leaders assess employee performance on agreed results rather than hours spent in the workplace..

Further positive responses show that 55% overall, 71% Banking, 67% Business Services / Consultancy and 59% from the Government / Public Sector leaders actively manage internal/ external client expectations as part of the workload management of their team.

## In this organisation our leaders...





## Long Hours – Productivity & Workload

Over the last three years, we have been somewhat concerned with the continuing rise in responses indicating increased workloads and the 'long hours' culture were having a significant impact on organisations and their ability to introduce a range of work/life strategies.

This year, fewer (68%) respondents, compared with 80% in 2003, believe that the impact of work/life efforts in their organisation is hindered by increased work demands overshadowing personal needs. 48% agree that in the last year managers have been expected to ask more and more of their staff.

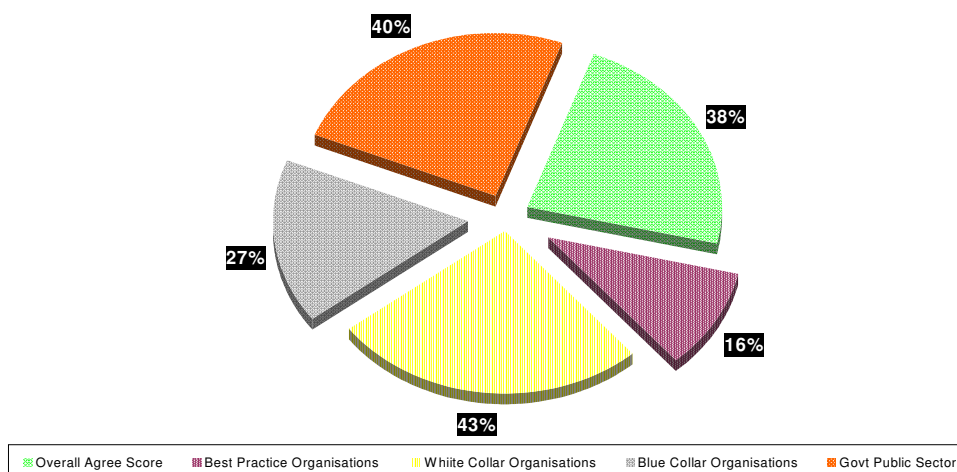
It is interesting to note that a third (33%) of the respondents from White Collar / Service Intensive organisations and 39% from State Government respondents say that they have reduced staff but have not re-assessed the workload priorities.

Overall, 21% of all respondents (43% from the Banking Sector) indicate that employees are spending more time at work because 'presence' is rewarded rather than results. However, only 12% from Best Practice organisations, compared with 30% in the lower ranking groups, believe this to be the case. Most importantly, 52% overall indicate that if staff were allowed to control their own work lives (in terms of hours and place of work) absenteeism and sickness would fall dramatically. This response increases to 85% from those in Law / Legal Services and 86% from Banking respondents. Clearly there is a case to be made for increased autonomy to be given to employees to manage the ways in which they achieve their performance goals.

The data is also suggesting that the 'long hours culture' may not be delivering the anticipated increases in performance. More than a third (37%) overall (48% from Banking / Insurance / Financial services and 40% from Manufacturing and Government / Public Sector) agree that employees are working longer hours but may not be working 'smarter'.

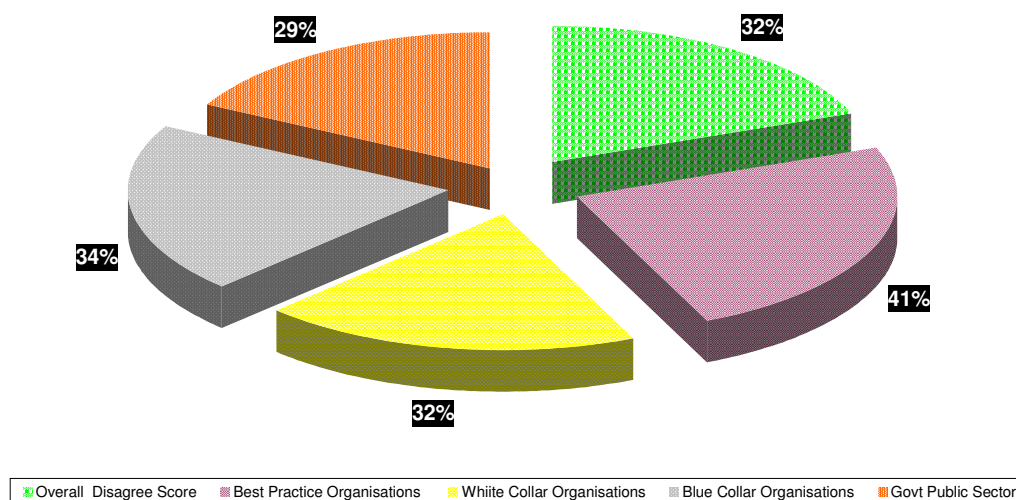
### Graph Employees are Working Longer Hours but may not be working smarter

**Employees are working longer hours but may not be working smarter - agree response**



## Graph - Productivity Improvements as a Result of the Long Hours - Disagree Scores

Productivity has improved as a result of the increased work hours  
*disagree responses*



## Best Practice Organisations

### Leading the Way

In 2002, we made it possible to rank organisations according to the benchmark criteria that were established as part of this survey process some five years ago. Since we started to collect the data that differentiates the initiatives and benefits that accrue to organisations regarded as 'Best Practice', we have observed changes in their strategies, which would suggest that these employers have moved beyond the more traditional approaches to work/life issues. Not only are they focussing on culture change processes, but they are also becoming more innovative and creative in the way that they approach the challenges. For example; 83% of Best Practice organisations say that they have achieved culture change by encouraging a creative approach to resolving problems.

In recent years, we have started to both support and observe a trend whereby executives and managers are encouraged to manage performance rather than presence in the workplace and to hold their managers accountable for the management of work/life issues within their workplaces. Responses this year show that Best Practice organisations are more successful than others in this area, especially where over three quarters (80%) agree (27% strongly) that their leaders assess employee performance on agreed results rather than hours spent in the workplace. As well, 65% agree that their leaders are held accountable for managing work/life issues within their work area.

## The Top Ranking Organisations

- |  |                                       |
|--|---------------------------------------|
| ★ Australian Government Solicitor                  | ★ Health Insurance Commission         |
| ★ Australian Health Management Group               | ★ Hunter Area Pathology Service       |
| ★ Australia Post                                   | ★ J P Morgan                          |
| ★ Australian Broadcasting Commission               | ★ John James Memorial Hospital Ltd    |
| ★ Australian Public Service Commission             | ★ La Trobe University                 |
| ★ Churches of Christ Homes & Community Service Inc | ★ Minter Ellison                      |
| ★ City of Melbourne                                | ★ NSW/ACT Independent Education Union |
| ★ City West Water                                  | ★ Queensland Treasury Corporation     |
| ★ Department of Education Service & Training       | ★ Shine Roche McGowan                 |
| ★ Harmers Workplace Lawyers                        | ★ Westpac Banking Corporation         |

## Best Practice Organisations – Bottom Line Benefits

The benchmarking process collects data that is widely accepted as being influenced by the implementation of work/life strategies. These are absenteeism, turnover, attraction and retention, employee satisfaction and service delivery or productivity. Feedback since 2002 has shown that Best Practice organisations have consistently better results than others in the survey. For example:-

- ❖ 44% (compared with 6% in the lower ranked organisations) have reliable data that indicates there has been an increase in employee motivation and satisfaction as a result of their work/life strategies.
- ❖ 32% (compared with 2% in the lower ranked organisations) say that their reliable data shows they are able to attract and recruit the best possible talent.
- ❖ Best Practice organisations have data that shows a reduction in absenteeism by an average of 4%.
- ❖ An average increase of 28% in the return rate from parental leave is reported by Best Practice organisations, compared with 19% for lower ranked organisations.
- ❖ 13% of Best Practice organisations have seen an increase in stress related absence in comparison with 50% from lower ranked organisations.
- ❖ 4% (compared with 31% in lower ranking organisations) have seen an increase in staff turnover due to the long hours culture.





## Best Practice Organisations – Their Strategies & Achievements

Focussing on increasing workplace flexibility and communication about how to access flexible options appears to have been the main focus for Best Practice respondents during the last twelve months. The majority of respondents (80%) indicate that communicating regularly about policies and programs has helped them to achieve a culture change within their organisation, and 76% say that their leaders communicate the value of work/life balance to their staff. The majority (87%) report that in their organisation leaders include people who work flexibly in team activities.

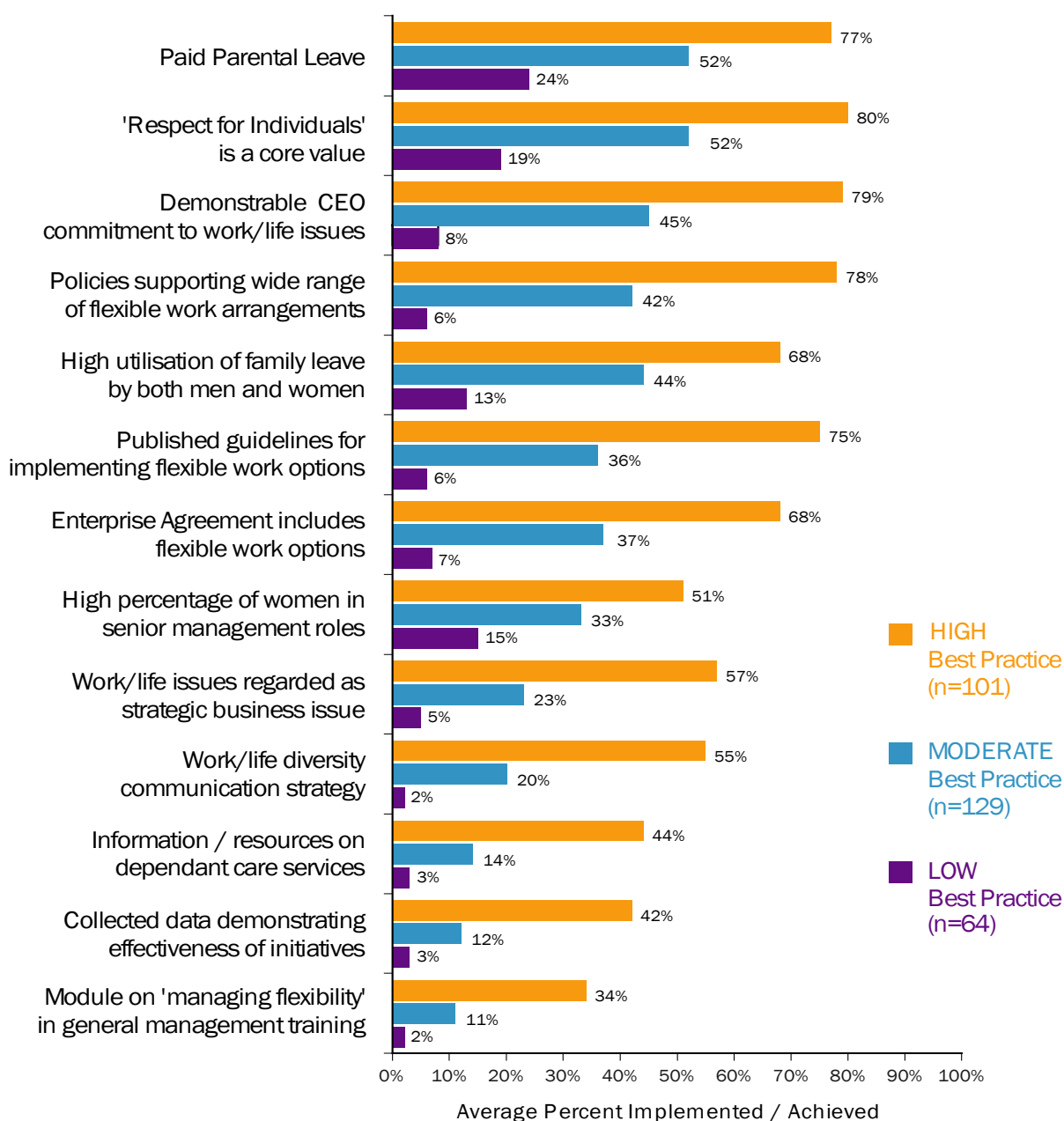
This year, 79% have focussed on skilling managers and team leaders to manage work/life issues within their teams. This is a noticeable change in strategy since 2002.

There is a continuing effort to gain senior management commitment, with 83% reporting that this strategy and the linking of work/life issues with organisational issues (87% agree) has contributed to the culture change process. Furthermore, 83% report that encouraging a creative approach to problem solving has also assisted in this change process. Within these organisations, 75% say that their leaders support the work/life strategy as a means to increase productivity and service delivery.

Best Practice organisations report that their change processes have been effective in modifying work/practice (79%) and staff attitudes to work/life issues (77%). It is also significant to note that 69% say their strategies have been successful in modifying staff behaviour relating to work/life issues.

The level to which organisations have achieved/implemented the components identified as being important for a Best Practice implementation are shown in the following graph.

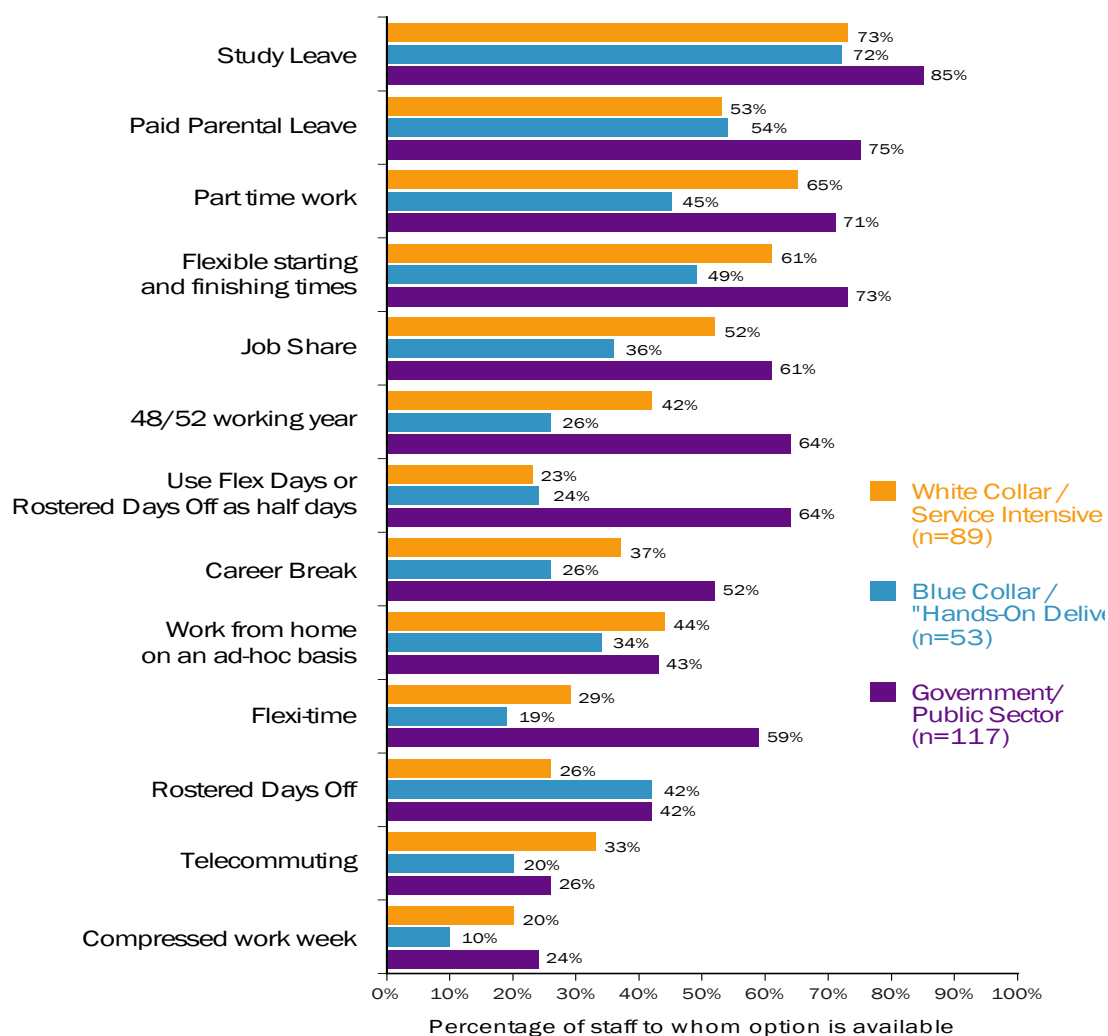
## Level of implementation of work/life Initiatives



## Flexible Work Options

The data continues to show an increase in the availability and usage of flexible work options within organisations. On average, 47% (43% in 2003) of staff has access to some form of flexible work options, which is an increase on last year, and an average 44% (39% in 2003) of staff is using some form of flexible work option. This is a positive response. The data does change according to the industry sector and size of organisation.

### Availability of Flexible Work Options





## The Way Ahead

### Recommendations for the Future

In this the seventh survey to assess the progress and achievements of Australian organisations in the implementation of their work/life strategies, we have observed a significant shift in what has been achieved during the last year. More organisations are skilling their managers to address the issues locally and many are encouraging employees to take more responsibility for their own work/life balance, as well as the success of their flexible work arrangement.

The issues of older workers, inter-generational groups within the workplace and eldercare are now an ever growing blip on the radar. Whilst only a small percentage of organisations appear to have implemented strategies to address these issues, it would seem they are mostly in the Best Practice category. We would recommend that organisations work towards identifying the specific needs of these groups and implement strategies that focus on the recruitment and retention of mature aged workers, especially where there is the potential to lose experienced and talented employees who would prefer to work flexibly or tele-commute. We need to address the very real issue that influence perceptions about mature aged workers and make it easier for inter-generational groups to work effectively together.

The modifying of the organisational culture to better reflect the needs of employees should now be a priority for employers. Including communication initiatives, training, information sharing and job-re-design options as part of this overall strategy will, as we have seen from Best Practice organisations, help to shift attitudes, modify behaviours and change work practice. It is no longer sufficient to introduce policies and programs without supporting their implementation, and encouraging managers to take responsibility for the work/life balance issues within their work places.

Finally, we believe it is time for organisations to undertake a comprehensive audit of their work/life strategy. Demographics have changed, employees' expectations about what is possible have increased, some organisational challenges have not been addressed while others have been overcome with noticeable successes. Work/life balance issues have the potential to be sidelined and treated as the last 'big issue' issue. Ongoing achievements, alongside the continuing needs of staff must still be quantified and qualified. In addressing these issues they should be linked with the goals and vision of the business – ie: relaunching the current business case for change.

**Managing Work | Life Balance** welcomes the opportunity to assist organisations achieve their work/life/diversity goals and to achieve Best Practice standards in the implementation of their strategies.



A full copy of the report can be purchased by completing the order form and faxing or mailing to Managing Work|Life Balance

**Also available**

- ☆ **Bullet Point Summary Graphs for specific demographic groups – please enquire about availability.**

