



Workplace trends of 2015

What they mean for you

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Introduction

You do not need a crystal ball to see some of the workplace issues that will be of concern to us all this year. Regardless of what happens in the General Election, boosting the UK's labour productivity is likely to remain a top priority. For that reason productivity is the first issue that we address in this HRZone, Acas and CIPD report that looks at five key employment trends for 2015.

Other hot topics, such as the use of atypical contracts and the part they can play in a fair and effective labour market, though quite familiar, are still very much live issues that will shape the way we work in the years ahead.

Whether we like it or not, conflict at work will continue to be a perennial preoccupation for managers. But the way we view conflict management is changing and the articles in this report look at new ways of seeing some rather well worn workplace problems.

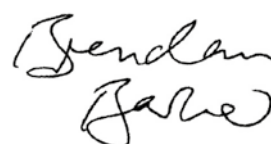
What is often exciting about working to improve working lives and business performance is the way that new initiatives in HR and good practice develop so quickly. One example of this is employee voice. Our understanding of how we make our views heard, and how we listen, have been revolutionised by technology in recent years.

This report also gives us the opportunity to step back and review some concepts and ideas we thought we knew very well. Flexibility and work-life balance have become cornerstones of working life for many of us, but what will these concepts mean for managers and employees in the evolving workplace?

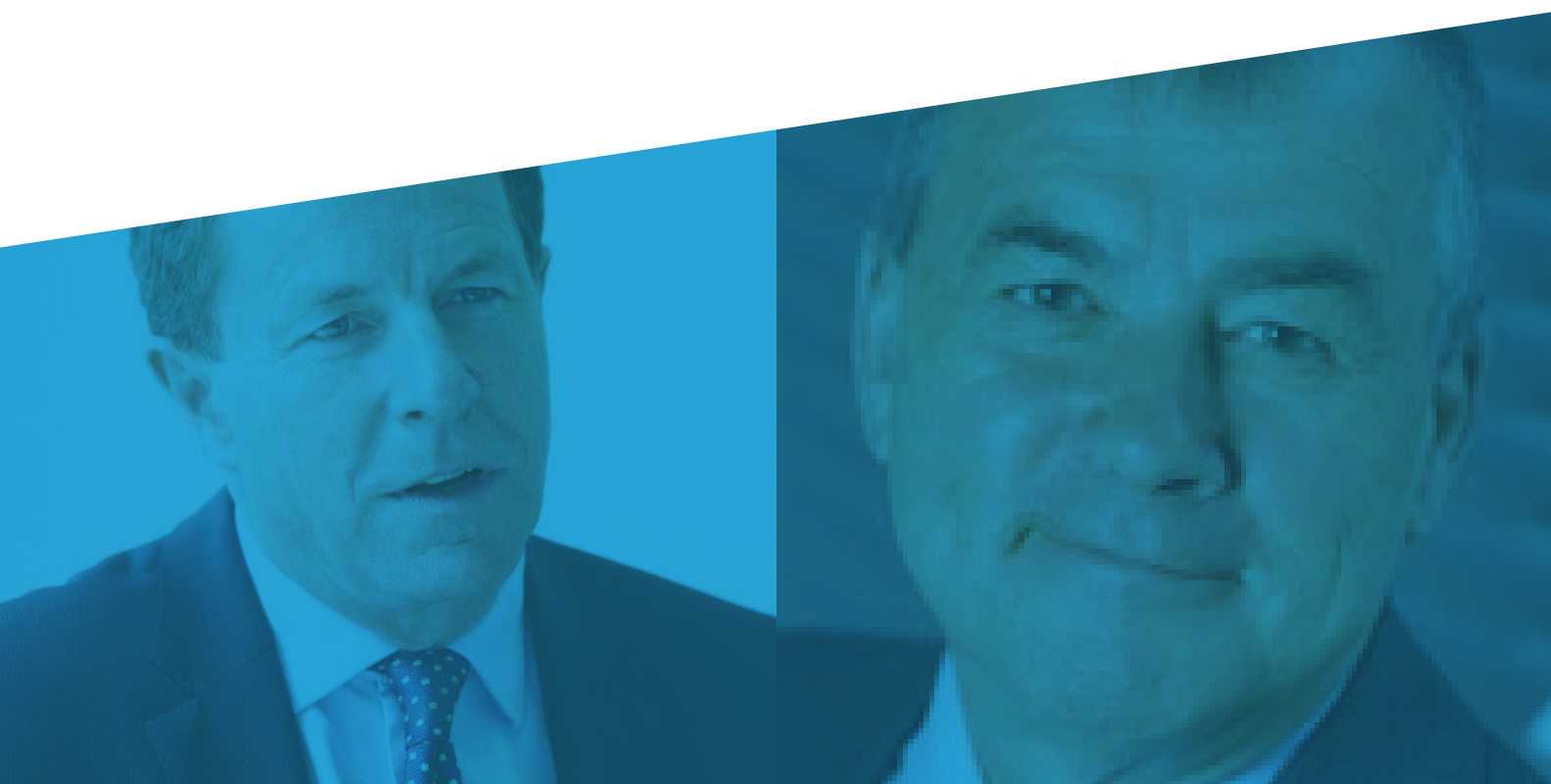
We hope these thought pieces stimulate your thinking. Colleagues in Acas and CIPD have teamed up with stakeholders to discuss the five key policy areas that we think will provide the benchmark for good working lives and effective workplaces over the next year.



Peter Cheese
CEO, CIPD



Sir Brendan Barber
Chair, Acas



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1.

What will employment relations teach us about building skills and improving productivity in the workplace?

Featuring

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What will employment relations teach us about the best way to build skills and boost productivity?

Adrian Wakeling, Senior Policy Adviser, Acas



Adrian is part of a team responsible for informing the future strategic direction of Acas and influencing the wider debate on the value of employment relations.

Thirty years ago, the pop artist Andy Warhol buried 300,000 of his everyday personal possessions in hundreds of sealed ‘time capsules’. Some commentators would argue that, around the same time, something similar happened to employment relations, with a gradual decline in public policy focus in this area.

The last of Warhol’s boxes have now been opened, and there is a growing call to open up what academics have called the employment relations ‘black box’. But what secrets would this box reveal and how could its contents help organisations make better use of skills and help boost productivity?

For many years, concerns about the UK’s productivity gap have focussed on institutions and corporate responses, whilst workplaces have become narrowly focussed on legal rights and compliance. Both have failed to identify the powerful potential that workplaces as a whole can have in contributing to productivity, and in particular the part that skills utilisation has to play. Thankfully, this is beginning to change.

New trains of thoughts are beginning to emerge amongst the HR, academic and advisory communities about how we can unlock the huge human potential in skills and innovation that exists in so many workplaces. Much of this thinking takes as its starting point, not the big problems with UK Ltd like the banking and financial systems, but what have too often been seen as the small things. This path is taking us inexorably back to offices and shop-floors, in order to try and better understand how people interact at work, the policies they use, the way

their jobs are designed, and how effective these all are in making them work more innovatively.

The Engage for Success movement has published several case studies illustrating the strong link between engagement and productivity – most notably in its report ‘Employee engagement – nailing the evidence’. And a recent report from the Involvement and Participation Association makes an equally compelling case for the link between things like ‘job meaning and purpose’, ‘employee voice’, ‘support and relationships’ and improved organisational performance.

An Acas Policy Discussion Paper published in October last year suggests that tapping into the knowledge and experience of Acas advisers is as good a way as any of finding out what works and what doesn’t in the workplace. In the paper, Keith Sisson puts forward the case for a ‘bottom up’ solution to the UK productivity problem.

Sisson argues that many other OECD countries understand that productivity, as well as the health and wellbeing of employees, can be improved by policies that promote good working practices, joined-up employment relations policies and various forms of workplace innovation.

So far, so good. But although the idea of ‘good workplaces’ – based upon harmonious relationships, fairness and integrity, and genuine employee voice – is something very close to Acas’ heart (not to mention our mission), is there anything more practical that can be learnt about improving productivity?

An ‘Innovative Workplace Initiative’ run by Acas in the East Midlands gives some pointers as to what may be the most fruitful areas to explore. The project was set out to “test the impact of a holistic approach to organisational change built on a mix of employee involvement and engagement, management and leadership development and innovative work organisation.”

‘Change entrepreneurs’, or ‘gatekeepers’, were chosen in the eight organisations taking part in the project to act as catalysts for sustainable organisational change. These gatekeepers were hand-picked for their sense of commitment to making a difference in their workplace and they

provided a focal point for communication and the development of action plans. One of the key aims of each of the eight workplace projects was to improve business performance through the development of essential management and leadership skills primarily through ‘cascading’ the gatekeepers’ learning to others in their organisations. Importantly, all the ideas for change came from the employees.

Research estimated that the overall benefits across the eight project organisations was over £900,000. In one case, the benefits came from something as simple as a saving in management time – one manager estimated he had achieved a 75% reduction in time spent on disciplinary and grievance matters as a result of addressing potential problems at an earlier stage and holding return to work interviews following periods of sickness absence. In most others, it came from new ideas leading to a change in working arrangements: re-organisation of a warehouse, disposal of waste materials, revised purchase order documentation, improved machine design/development and a move to integrated manufacturing arrangements.

Some of these examples may seem a little low tech, but most of the improvements were based upon, as Sisson states in his paper, “having clear and easily understood policies in key areas of employment relations such as discipline, grievance, equality and absence”, backed up by the right skills and leadership, and “new processes”, most notably “better communications systems that put people at their heart”.

Unlike Warhol’s time capsules, we have always had a pretty good idea of what is inside the employment relations ‘black box’. It’s time to open it up and make it work more effectively for individuals, workplaces and the economy.

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What will employment relations teach us about the best way to build skills and boost productivity?

Mark Beatson, Chief Economist, CIPD



Mark's role includes leading the CIPD's labour market analysis and commentary, while also strengthening the CIPD's ability to lead thinking and influence policy-making across the whole spectrum of people management and workplace issues.

Low productivity lies behind the failure of average earnings to keep up with prices since 2009. According to the Office for National Statistics, at the end of the third quarter of 2014, output per hour worked – the most commonly used measure of labour productivity – was almost 2% below its level in the first quarter of 2008, when the recession started. Productivity often falls in the early stages of a recession but such a long period of stagnation has surprised and puzzled economists. But even if we still do not understand exactly why this has happened, it has placed productivity centre stage for policy makers.

The irony is that, for something so important for our long-term standard of living, productivity is not a term widely used in the workplace, nor is there a shared understanding of what it means. In simple terms, economists define labour productivity as the amount of value we produce for each hour worked. Talking about the value we produce reminds us that productivity isn't just about physical effort, which is how many employees see it. Productivity also depends on the tools you have to do the job (linking it to investment) and the value that customers place on the activity (linking it to the market).

Employees believe they are working harder than ever, even though average working hours have been on a downwards trend for the last fifteen years. They see work as an increasingly intense experience. Technological change has in many cases increased our productivity by automating routine functions, scheduling work more efficiently or, in the case of mobile devices, by allowing us to multi-task and fill up each minute of the working day (and, sometimes, the non-working day). But

how new technology is introduced into the workplace can make a huge difference to its impact. Management should pay careful attention to job design, in particular, by giving employees a sense of control over how they do their job. Employees also need to feel they can rely on others for support, especially their line manager.

CIPD research shows that about 65% of employees say they are satisfied or very satisfied with their line manager. However, while employees often have very positive views about their personal relationship with their line manager, coaching and assistance with career development are two areas where the majority of employees are looking for more.

CIPD work shows that a lack of trust acts as a drag on productivity. Management and employees waste time second-guessing each other and employees will be wary of change. Even if most employees lack the power to block change outright, withdrawal of discretionary effort can still undermine its effectiveness. Private sector workplaces with high-trust relationships were more likely to think they had come out of the last recession on a stronger footing.

Interestingly, employer investment in training appears to have taken less of a hit during the recession than many forms of capital investment. Employers have tried to make their money go further – for example, by bringing training in-house or by use of distance learning. However, investing in skills improvement doesn't guarantee higher productivity. For that to happen, workforce skills need to be used effectively on a day-to-day-basis.

In part, this depends on workplace management. So-called high performance working practices – including team working, multi-skilling, employee consultation, appraisal systems and flexible working patterns – are associated with improved performance but there is no instant recipe for success. Context matters: large organisations may need a degree of formality that would be out of place in a small firm. So does the way in which any management practice is implemented. For example, if employees think staff appraisal systems are unfair, the impact on employee engagement can be negative – worse than having no appraisal system at all.

Skills utilisation, though, also depends on strategic positioning: where in the market firms choose to compete; and how they choose to compete (in terms of relative emphasis on price, quality, customer service, innovation etc.). Firms that adopt 'high road' strategies – concentrating on innovation and quality, with less focus on low cost – invest more in training, and this in turn raises their productivity. While our summer 2014 Labour Market Outlook survey found that just 8% of private sector organisations described their competitive strategy as based on low cost, success is not simply a question of choosing a strategy. Firms must have the vision, capability and resources to make it a reality. That is why boosting skills is a necessary, but not sufficient, condition for productivity growth.

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What will employment relations teach us about the best way to build skills and boost productivity?

John Purcell, Visiting Professor, School of Management, University of Bath



Professor John Purcell's career has been devoted to researching and teaching the management of employment relations, focussing on management strategies and performance, temporary work agencies, the role of line managers and consultation. He has also worked for Acas and is a Deputy Chairman of the Central Arbitration Committee.

The pursuit of productivity touches on almost every aspect of working life and goes to the heart of good employment relations. Productivity comes from the way motivated employees with appropriate skills interact with technology ('give us the tools and we will finish the job', as Churchill put it) and the efficient organisation of production and service processes. There is no single winning formula, but three beacons can light the way towards a much better use of skills and increased productivity in the majority of UK workplaces: the effective management of ability, motivation and opportunity.

Ability

When just-in-time manufacturing was adopted in the motor industry, the shock for many line managers was a realisation that this could only work if employees were 'right first time'. This meant that fully trained operators, working in teams, had to be able to do their own quality inspection, know how to measure work, understand the impact of variances, and how to stop production for corrective action when quality fell below specified limits. This, in turn, triggered a radical change in recruitment and selection requirements with employees with young families and, ideally, a mortgage favoured. Investment in training increased substantially. Absenteeism and labour turnover had to be minimised since the loss of trained staff with a deep knowledge of work routines was now much more damaging and expensive.

This applies equally to customer service staff in much of retailing, banking and the caring professions with staff needing to know how their role and work performance impacts on customers, quality and sales. This sort of learning comes, in the main, from experience, working in supportive teams and especially from the immediate line manager. It also is associated with jobs which combine relatively high levels of autonomy, as in right-first-time, with demanding requirements in terms of mental effort.

Motivation

Most jobs depend on employees exercising the discretion they have in their work. What motivates them to use the skills they have, and learn more? Employee engagement concerns creating the work environment where staff become committed to their work, colleagues, line manager and the organisation as a whole. Engaged, committed and motivated staff have better attendance records, are less likely to be looking for another job, and are more likely to help others, as well as be good advocates for the organisation.

The line manager is crucial in giving positive feedback for good performance and, where necessary, providing corrective advice. These types of social reward are often more important than financial incentives, (although these play a part in motivation provided they are judged to be fair).

More formal appraisal systems also play an important role. In the NHS it has been shown that staff who felt their appraisal helped them improve how they did their job, involved setting objectives and left them feeling valued were much more likely to be motivated. In contrast, staff who experienced a poorly conducted appraisal were less motivated than even those who had no appraisal at all! Team working is a key stimulus for motivation. When asked 'what motivates you', many team members say 'I cannot let my mates down'.

Opportunity

The opportunity to apply skills and develop further competency, as well as participate in decisions, is strongly related to commitment and performance. This kind of participative development is often best

expressed in the way employees contribute in team briefing sessions, wider consultations and problem solving groups. Participation can also take place both on-the-job, through sharing knowledge with colleagues and the line manager.

The experience of teams working in the NHS is revealing. The most effective teams had clear objectives, interdependent working, regular reviews of performance and discussions on improvements. This teamworking was linked with lower levels of absenteeism and turnover and, critically, better clinical outcomes.

What can employment relations teach us? Organisations with high productivity are those with excellent production and service processes and the ability to invest and introduce technical change. But more importantly, these organisations have strong values, emanating from the top, emphasising quality, with visible senior managers and line managers who engage with their staff.

Good employment relations can help boost productivity but there needs to be an emphasis on: employee voice (both on and off the job); partnerships between senior managers and trade unions or consultative committees; effective job design that promotes teamworking and autonomy; the appropriate use of social rewards, including positive appraisals; and training that focuses on skills.

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A woman with long dark hair, wearing a patterned dress, is looking down at a laptop. She is in a cluttered office environment with various papers and boxes visible in the background. The image has a teal overlay.

2.

What part will atypical contracts play in the future of working life?

Featuring

Stewart Gee, Head of Information and Guidance, Acas

Ksenia Zheltoukhova, Research Adviser, CIPD

Sarah Veale CBE, Head of Equality and Employment Rights Department, TUC

What part will atypical contracts play in the future of working life?

Stewart Gee, Head of Information and Guidance, Acas



Stewart heads the team producing written guidance for Acas on the web and in booklet format along with Acas' training products. Stewart's team are currently working on guidance for employers and employees on avoiding and dealing with issues of discrimination, and will shortly begin work on guidance in relation to issues associated with atypical working practices.

The European Foundation for the Improvement of Living and Working Conditions defines atypical work as “that which departs from the standard model of full-time, regular, open-ended employment with a single employer over a long period”.

The statistics show that these ‘non-standard’ forms of work will continue to have a big part to play in the future of our working lives. For example, the latest Workplace Employment Relations Study reported a sharp rise in the proportion of workplaces using zero-hours contracts – up from 4% to 8% between 2004 and 2011. The real question is – will these kinds of contracts play the part of the villain or the hero as the country continues to recover from the economic recession?

Many people may have already made up their minds. The arguments that have been raging on the issue of zero-hours contracts over the last year or so have shown that opinions are polarised around the benefits of contractual flexibility: one person's flexibility is another's insecurity.

For those who believe that the question still hangs in the balance, the outcome may be largely dependent on whether we are able to get the balance right between the use of regulation and the development of the right behaviours in the workplace.

Putting forward the idea that there is a ‘right’ or ‘good’ way to behave in the workplace is, in itself, fraught with difficulty and, for some people, represents an unwelcome form of ‘moral interventionism’.

But morality and ethics have been around in the workplace for a very long time. As well as the well-established notion of ‘corporate social responsibility’ there is a growing focus on the role that employee engagement and trust plays in improving wellbeing and productivity at work.

So, what role should regulation play in making sure that atypical contracts work for everyone? And can we influence the way people treat each other at work and, if so, how?

Let’s take the example of zero-hours contracts. After much debate, exclusivity clauses have been identified as one of the main problems with these contracts – whereby employees are contractually prevented from taking work elsewhere even though they have no guarantee of work. But while government legislation may well tackle some of the worst abuses in zero-hours contracts, it is unlikely to offer a complete answer. Some of the problems associated with this form of atypical working are more deep-rooted, and revolve around a more profound fear of raising concerns or questions about access to rights. This hints at a significant loss of trust in the employment relationship, characterised by a sense of power imbalance which makes workers fearful of asserting their employment rights.

Where there is a gap between what the law can do and what is likely to happen in reality, codes of practice are often used to help steer employers in the right direction. Acas is very familiar with drafting these codes – most notably the ‘Acas Code of Practice on Disciplinary and Grievance Procedures’. The proliferation of disciplinary and grievance procedures in workplaces, the vast majority reflecting the Acas Code of Practice, is perhaps one of Acas’ success stories. According to the most recent WERS, 97% of employees are in workplaces covered by such a procedure.

But neither the law nor soft regulation can guarantee people behave in the right way. And what does the ‘right way’ look like anyway? Inevitably, it depends on the organisational and environmental context, but it is likely to include decision-making that looks after the business and helps promote fairness, trust and positive commitment from employees; and allowing employees to have their say.

In an interesting Acas policy paper, Professor Ed Heery describes how Civil Society Organisations (CSOs) often step into vacuums created by what they perceive as a failure of regulation to dictate behaviour. CSOs not only campaign for changes in the law, they act as ‘mediators of the law’, ensuring that it is correctly understood and implemented and they also represent the interests of minority groups – such as the gay and lesbian communities. Unions have been very active in working to represent many workers on atypical contracts – particularly those in the retail and care sectors – and have called for a ban on zero-hours contracts altogether.

Some commentators would argue that different forms of casual labour have always existed and, that while different forms of contracts come and go, what often stays the same is the degree of poor practice on the part of too many employers. Codes can help to change behaviour, and so too can practical advice and guidance. Looking to the future, Acas will continue to listen to all the actors on the employment stage, particularly those without a strong voice (or sometimes, without a voice at all) and try to influence the way we treat each other in the workplace for the better.

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What part will atypical contracts play in the future of working life?

Ksenia Zheltoukhova, Research Adviser, CIPD



Ksenia specialises in leadership studies and is interested in practical measures of value-led behaviours of managers and employees. She is currently working on identifying the effects of leaders' sacrificial behaviours on followers, as well as reviewing the implications of the shifting work paradigms for individual career trajectories and organisational purpose.

Over the past year employment of workers on atypical contracts, particularly zero-hours contracts, has been a focus of debate both for policy and workplace practice. Such contracts are the ones that don't resemble 'standard' 9-to-5 employment and are instead characterised by the temporary, casual nature of work.

Although the proportion of the workforce in 'standard' employment remained relatively stable (around 60%) between 1997 and 2008 (CIPD 2013), it has begun to drop since then, with the employment relationship becoming more diversified due to an increase in part-time, temporary and self-employed workers. A CIPD survey (2014) shows that 69% of organisations (and 78% of large businesses) employ individuals on fixed-term contracts, while 36% (and 40% of large companies) use casual workers.

The increase in the flexibility of employment relationships may have been a reaction to the economic downturn, as most organisations cite cost efficiency and uncertain business conditions as reasons for using atypical contracts (CIPD 2014). More than half of all organisations offering atypical contracts say the key reason for using these contracts is the improved ability to manage fluctuations in demand for their services, for example, to fill a temporary need "as required".

However, more organisations are starting to realise the benefits that an atypical workforce can offer if it is managed proactively rather than reactively. Just under a third see atypical contracts as an opportunity to

offer employees flexible working options. About a quarter are planning to improve productivity through a more effective deployment of the workforce, and almost three in ten (and even more organisations in the public sector) say that atypical contracts allow them to fill the skills gaps in their core workforce (CIPD 2014). Findings of the Agile Future Forum (2013), based on a series of case studies, suggest that atypical workforces offer the benefits of greater organisational agility (ability to respond to change, such as fluctuations in demand), increased quality of outputs through diversity of skills, and improved ability to attract talent.

Employee attitudes to careers and work in general are changing dramatically, too. Comparing employee preferences about their 'ideal career' in 2014 with those of 2005, we find that only 28% of respondents would like work to be central to their lives, down from almost half of employees saying the same nine years ago (CIPD 2014). Only a third are striving for promotion into more senior roles (compared to 55% in 2005), while two-thirds would be satisfied with a series of jobs at the same level. There is, however, little change in the value attached to job security (about three-quarters of employees choose it over being employable in a range of jobs), and a preference to stay with the same employer for a long time (86%). Those already employed on atypical contracts are less concerned about job security (48%) and are more comfortable with changing employers (a third would prefer spending a short time in a lot of organisations over a long time with one employer, compared to 14% of employees on permanent contracts).

So will atypical contracts play a greater role in the future of work? Inevitably, the answer to this question comes down to how atypical employees are managed in the workplace in practice, and how the concerns about the quality of atypical employment (both for individuals and businesses) are addressed.

More organisations should embrace the business benefits of an atypical workforce – if used strategically. It is true that atypical contracts may suit some categories of workers more than others. The CIPD's (2013) survey of zero-hours contracts workers showed that just under a half of them (47%) are satisfied with having no minimum contracted hours, and 27% are dissatisfied with such an arrangement. However, where atypical

contracts are managed responsibly, and the arrangement satisfies both the employer and the individual, the levels of employee engagement and employee commitment to the organisation are likely to be similar to those in 'standard' employment relationships.

To improve management of atypical workers, organisations should align their workplace practices to support those on atypical contracts. At the moment, inconsistency in the quality of work is the main concern around employing atypical workers (for 35% of organisations), yet only a third conduct performance appraisals for casual staff, and only half of organisations extend training and development opportunities to atypical workers. Similarly, about one in five organisations believe these employees are disengaged, but only less than a quarter offer them recognition awards, and less than half include atypical staff in internal communications (CIPD 2014). Just 54% of zero-hours contracts workers have a line manager, compared to 80% of the UK average.

The future of atypical contracts, it appears, will rely on the ability of organisations to foster trust and organisational culture with the atypical workforce beyond regulation. Employment initiatives by the London Organising Committee of the Olympic and Paralympic Games are an example of such practice, where the employer intended to develop workers' skills and help them secure employment opportunities when the fixed-term employment contracts finished after the London 2012 Olympic Games. The success of atypical employment depends, therefore, on the strategic ability of people management practitioners to create win-win solutions that are of benefit not just to the business, but to the employee too, and support the business to develop the workplace practice that allows for a fairly balanced employment relationship.

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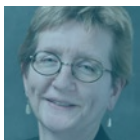
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What part will atypical contracts play in the future of working life?

Sarah Veale CBE, Head of Equality and Employment Rights Department, TUC



As well as her duties at the TUC, Sarah is a member of the Government's Regulatory Policy Committee and the HSE Board. She is also a member of the Equality and Human Rights Commission and the Government's Employee Engagement Task Force. She was formerly a member of the Acas Council and the Women's National Commission. She was awarded the CBE for services to diversity in the Queen's Birthday Honours List in June 2006.

Official statistics from the ONS Labour Force Survey show that temporary and casual employment has grown steadily during and since the recession of 2008/09. By the summer of 2014 more than one and a half million (1.7 million) workers reported that they were in some kind of temporary work, an increase of more than 300,000 since the start of the recession.

In April 2014 the Office of National Statistics published new statistics which estimated that there are at least 1.4 million zero-hours contracts in use in the UK. These are now used across the economy, affecting professional workers such as airline pilots, college lecturers and school teachers, as well as being prevalent in social care and in low skilled jobs.

Other forms of atypical work, such as short hours contracts and bogus self-employment, often via umbrella or payroll companies, are increasingly a feature of the UK workforce.

The TUC produced a report in December 2014, "The Decent Jobs Deficit", which pointed out the economic and social impacts of the growth of atypical work.

The advantages for employers in using atypical contracts are clear. They can maximise the flexibility of their workforce in order to manage peaks and troughs in demand. They can achieve significant cost efficiencies by retaining a pool of flexible workers, who are familiar with their business

practices and who can be called on at short notice. Employers are only required to pay zero-hours contract and agency workers for the time they actually work. They are under no obligation to pay an individual who turns up for the start of a shift but is not offered work.

A minority of workers are attracted by the flexibility offered by zero-hours contracts and agency working. For example, some nurses choose to top up their take home pay by working additional hours through in-house banks.

However, there is growing evidence that the use of zero-hours contracts and agency working is a conduit for exploitation and abuse. The imbalance of power which exists in such employment relationships means that whilst the employer reaps the benefits of flexibility, all the risks and associated insecurity are transferred to the worker. Although some basic employment rights will cover most casual workers, in practice it is hard to enforce those rights, not least since the introduction of fees for Employment Tribunals, which has resulted in a 79% drop in the number of applications. It is hard for precarious workers to access trade union support, particularly in areas such as construction where blacklisting of trade union members has been a serious problem.

Apart from ethical concerns about treating workers as expendable, the impact on the economy and on society are likely to be profound. Atypical workers will mostly be earning low wages, not paying very much tax or national insurance and not spending very much. A lasting recovery in the UK relies on people spending money.

Atypical workers find it very difficult to get mortgages and so are reliant on expensive rented property, often many miles from where they work. They also have to find the fares to travel to and from work.

Atypical workers are generally not covered for periods of sickness, maternity and retirement, which means they will be more reliant on the meagre benefits system during those periods. New research undertaken by Cambridge University shows that a range of flexible employment practices used in supermarkets in the UK and US – including zero-hours

contracts – cause widespread anxiety, stress and ‘depressed mental states’ in workers as a result of financial and social uncertainty.

Atypical workers are often not trained and are unlikely to feel any great loyalty to an employer who is not actually employing them and accepts very little responsibility for their welfare while they are at work. If offered a better job they will move on without giving notice. Discretionary effort and commitment, which comes from a proper employment relationship, would not be forthcoming.

If the current trend continues, what is currently described as atypical work could become the norm. The TUC believes that endemic poor treatment of atypical workers should no longer be tolerated. There is an urgent need to challenge precarious employment and to introduce a framework of policies designed to encourage the creation of decent jobs, offering decent hours and decent pay. A number of regulatory interventions will be necessary to secure this, including a right for workers who work regular hours to be given a contract of employment that reflect those hours. None of this means reducing the opportunities for flexible working, which is essential for both employees and employers. It does mean that flexibility is not achieved through exploitation and this is the key to ensuring that atypical work benefits the economy and society, not just employers.

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3.

Will conflict be better managed informally in the workplace?

Featuring

Gill Dix, Head of Strategy Unit, Acas

Mike Emmott, Public Policy Adviser, CIPD

Dr Gemma Wibberley, Research Associate, iROWE

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Will conflict be better managed informally in the workplace?

Gill Dix, Head of Strategy Unit, Acas



Gill has a background in social and public policy research working in voluntary and public sector bodies and academia. Gill was Head of Research and Evaluation at Acas for twelve years and has written on a range of employment relations subjects including being a co-author on the 1998 and 2004 Workplace Employment Relations Studies.

What happens when you keep telling someone ‘to relax’? It usually has the opposite effect. Something similar seems to be happening with conflict management. For all that we argue for the value of informal, early intervention in possible conflict at work, there is no denying what a forthcoming article in the journal ‘Employee Relations’ (ER) describes as the “increasing trend to standardise ‘informal methods’ of conflict resolution”.

The whole idea of informality – having a quiet word before any disciplinary or grievance procedures kick in – requires line managers to be able to use their own personal discretion in the way they handle individual problems. Unfortunately, as the ER article by Saundry et al points out, centralised HR functions are tending to favour consistency and equity over improvisation.

This risk-averse approach to conflict management in many organisations may partly be a legacy of the dramatic rise in individual disputes over the past fifty years. Applications to employment tribunals grew rapidly, from just under 35,000 in 1989/90 to over 230,000 two decades later, and the number of employment rights tripled in this period – there are now 67 jurisdictions under which a claim can be made to a tribunal.

The rise in tribunal cases has certainly caught the eye of successive governments of different political persuasions, with numerous attempts over the years to reform ‘the system’ often with an underlying, if not explicit, objective to reduce the number of claims.

Early intervention – Acas advisers like to call it ‘nipping problems in the bud’ – is not something unique to conflict management. For example, it is widely advocated as a way of helping stretched health and social care services: early diagnosis is often the best form of treatment. And arguments against early intervention usually centre around the cost. Altering what might happen in the future often needs a lot of investment now, in order to trigger environmental, lifestyle or cultural changes.

In terms of managing conflict at work, the line manager has been tasked with engineering this transformation. But what tools do they have at their disposal? We hope that they have the skill to be able to build positive relations with those they manage; where necessary to hold difficult conversations with employees about performance, conduct or personal issues (and to be able to distinguish between these); to have access to alternative dispute resolution (ADR) systems, such as mediation; and, overall, the scope to develop the experience to be able to get the balance right between the formal and informal approaches to handling conflict.

Line managers have to be emotional and organisational linguists – able to translate management speak into a local context employees understand, and also able to talk directly with HR and senior managers in order to convince them that they can be trusted to manage conflict effectively.

But the big question is: do managers trust themselves, do they believe in their own skills and abilities? And, if not, what can be done to help them?

The evidence on confidence is not good. The ER article describes a “palpable fear” amongst junior managers of “internal criticism” should they get things wrong. And, the report states, increasing pressures to reduce absence levels, particularly in the public sector, “have made it more difficult to adopt nuanced and informal resolutions that take into account the circumstances of each case”.

In terms of help, effective workplace structures of employee representation can play a very constructive role in helping to resolve

individual disputes swiftly and with minimum fuss. Representatives can also offer advice and a useful sounding board for line managers.

Training is, as always, a good fall back: Acas has found its course on 'handling difficult conversations' very popular. But ultimately, for managers to feel confident and relaxed enough to approach employees informally, they need the right senior management support.

Easier said than done. But research has shown that some organisations (in America) are leading the way in developing strategic conflict management systems that set out how conflict will be managed at all levels of the organisation.

Although conflict is an accepted part of life at work, conflict management is too often seen as a low-value activity – a merely administrative part of the management function. Conflict management needs to be seen for what it is: a powerful tool for building trust, opening up channels of communication and helping create more harmonious and productive workplaces.

The paradox is that for conflict to be managed more informally in the future – something we all want! – it has to be taken more seriously.

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Will conflict be better managed informally in the workplace?

Mike Emmott, Public Policy Adviser, CIPD



Central to Mike's work is his interest in the way in which industrial and economic changes are affecting employee attitudes and working practices. This has been reflected in research into the psychological contract, followed by continuing work exploring employers' experience of managing employee engagement. His current work focuses mainly on employment law, including the impact of employment regulation, whistleblowing and conflict management.

Recent changes in legislation affecting workplace dispute resolution aim to prompt employers and employees to rely more heavily on informal methods of dealing with individual conflict. What are the chances they will succeed?

The evidence suggests that early informal conflict resolution is more likely to lead to satisfactory outcomes than going through formal procedures. Once a grievance has been raised, the relationship between employer and employee is damaged and may be beyond repair. The resource implications for employers, and the emotional costs to individuals, of relying on grievance procedures are substantial. The traditional "quiet word" or, if that fails, a deliberate attempt to find a way forward that is acceptable to all parties, are more consistent with maintaining good employee relations.

Nevertheless the research evidence to date has suggested that, faced with emerging problems, most employers still rely heavily on the formal grievance process. A recent Acas research paper based on the Workplace Employment Relations Survey 2011 finds "no evidence... of any reduction in formality in the wake of the Gibbons report and consequent changes to the regulatory framework". On the face of it, this suggests employers are missing an opportunity.

Why do employers still rely so heavily on grievance procedures to deal with individual conflict? One reason is their fear that otherwise they may

end up losing a tribunal claim. They lack confidence to adopt alternative approaches so they fall back on formal procedures, even though mediation might have been both more effective and cheaper. Many employers are unclear where mediation fits within the discipline and grievance procedure, and when it might be appropriate to introduce it in particular cases.

It is unfair to criticise employers for adopting what has historically been regarded as best practice in handling conflict. The Acas Code of Practice on Discipline and Grievance offers them guidance that they can be confident will offer them some protection in a court or tribunal. Many HR managers see their bottom-line role as protecting the organisation's reputation by ensuring that it is not found to have failed in its responsibilities as a good employer. Given the increased significance of reputation as an influence on organisational performance, it is unsurprising that many HR professionals should adopt what they see as the safest way forward.

So how can managers be made more confident about seeking resolution by means other than the procedures set out in the Acas Code? One answer is for the Code to be clearer about the inter-relationship between performance management, mediation/ADR and settlement agreements. This is not to suggest that employers need a prescriptive template locating mediation within wider conflict management processes, and any revised guidance will need to allow for the use of judgment and discretion; but the lack of context for the guidance in the current Code is not helpful.

There may also be an issue whether HR professionals have the skills needed to be more confident in the use of informal methods. CIPD currently plans to research what needs to be done to raise the level of line management skills in this area. Surveys invariably show that line management skills are neglected and HR managers continue to insist on the importance of their supporting role.

However it's not all bad news and there are positive signs suggesting recent movement in larger organisations towards greater informality. Reporting on a thematic analysis of five case studies, Saundry and

Wibberley (2014) found “some evidence.... that the revisions to the Acas Code of Practice had encouraged [organisations] to consider ways to promote early and informal resolution.”

CIPD research into the impact of the recent legislative changes in this area confirms that more employers are now using mediation skills to develop their conflict management capability. Employers are encouraging line managers to have better quality conversations with members of their team and take ownership of their own issues. They are investing in giving managers the tools they need for effective performance management, and encouraging them not to let issues fester. HR teams are developing databases to help analyse where and why issues have arisen. More research will be needed to evaluate the impact of these developments but there is clearly the potential for such reforms to bring about a significant reduction in the number of grievance cases.

Few UK employers might be said to have adopted the full range of practices that are called in North America “strategic conflict management”. But some employers have definitely embraced a mindset that no longer sees grievance procedures as the default mechanism for resolving conflict. They have gone beyond seeing mediation skills as something only mediators need; and they see conflict management as going to the heart of managing the employment relationship. They are on the road to a different model of conflict management from the one they have inherited.

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Will conflict be better managed informally in the workplace?

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Since the Gibbons Review in 2007, workplace mediation has been promoted as an informal alternative to disciplinary and grievance procedures for resolving workplace conflict. The review recommended mediation as 'a pragmatic, flexible and informal way of providing both parties with positive outcomes' (Gibbons 2007). Successive governments have continued to advocate the use of mediation, as part of the shift away from employment tribunals and over-reliance on formal approaches.

Employers are increasingly turning to mediation to resolve workplace conflict. The latest Workplace Employment Relations Study (WERS2011) data reveals that mediation was used in 17% of workplaces that experienced a grievance (Wood et al., 2014). Some larger organisations are also investing in their own in-house mediation schemes by training their own staff as mediators.

Our research (Saundry et al., 2013; Saundry and Wibberley, 2014) found that those workplaces using mediation point to a range of benefits: disputes are resolved more quickly and at a lower cost; conflict is less likely to escalate to litigation or long-term absence; and unlike formal disciplinary and grievance procedures, mediation can restore and repair relationships at work. Yet, there are also concerns that mediation may be

used for inappropriate cases; parties may feel obliged to take part, despite its voluntary nature, and that power differences between the parties may inhibit real discussion and changed attitudes.

However, does mediation help to promote earlier and more informal attempts to resolve conflict and disputes? In fact, most people who have experienced mediation think that it is quite a formal process – it is certainly challenging and sometimes traumatic. But, those who had participated in mediation were often able to think about future conflict more positively, and cope with issues more effectively. Managers, in particular, discussed developing better conflict handling skills. Meanwhile, employees often felt that mediation gave them a voice to discuss issues that they wouldn't otherwise have the confidence to raise.

We also found tentative evidence that in some organisations, investment in training in mediation skills and establishing internal mediators can help to create an environment which is conducive to early resolution through discussion as opposed to the rigid implementation of procedure.

Nonetheless, achieving this is not straightforward. We found that successful implementation of workplace mediation appeared to result from several factors. The support of senior management was important, to provide resources, the time for staff to participate in and conduct mediations, an appropriate culture and the promotion of the service. Trusting relationships between all parties was vital, to enable mediation to be freely used throughout the organisation.

The involvement of a range of stakeholders from across the business in the development, training, conduct and promotion of mediation rather than being solely owned by HR appeared to be effective. For instance, our case study in the NHS demonstrated that training union and HR staff together to be mediators enabled them to appreciate issues from the other's perspective and transformed relationships from antagonistic to supportive.

We also found there are substantial barriers to using mediation. It is often only used as a last resort to resolve a dispute, which makes success much less likely. For some line managers it was seen as a sign of failure

to have to refer problems with their staff to mediation. Many managers had reservations about utilising mediation, as they worried they would lose control of the situation, or that problems such as performance management could not be addressed via mediation.

Allegations of mistreatment could be particularly difficult, as both employees and managers felt they could be held jointly responsible, rather than the perceived clear accountability of a grievance.

It was also challenging for in-house mediators to balance this role with their day job. Or in organisations where operational managers were responsible for handling conflict, it was often seen as impractical to train them as mediators.

So mediation can be an effective method for informally managing workplace conflict, but for many organisations it needs to be more integrated into their culture first and carefully thought through as to how it will be used and resourced. In addition, as line managers take on more and more responsibility for resolving disputes, it may be beneficial for mediation skills to be added to their development. Mediation is unlikely to be able to address wider problems of improving workplace conflict handling without an acknowledgement that this is a strategic issue.

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4.

What role will social media play in promoting employee voice?

Featuring

John Woods, Deputy Chief Conciliator, Acas

Jonny Gifford, Research Adviser, CIPD

Andrea Broughton, Principal Research Fellow,
Institute of Employment Studies

What role will social media play in promoting employee voice?

John Woods, Deputy Chief Conciliator, Acas



John has worked in Acas for over 30 years. In this time, he has worked as Head of Helpline and Senior Policy Manager on both individual conciliation and mediation. Currently Deputy Chief Conciliator and Head of Collective Policy, he has extensive experience of mediating in major national collective disputes.

A recent documentary film on the miners' strike of 1984-5, 'Still the Enemy Within', gives a fascinating insight into what some would argue was the last real class war in this country. The film focuses on the miners' experience of that conflict and although their story is told through the accounts of a few talking heads, it is very much the story of a 'collective employee voice'.

One might speculate about what part social media might have played in the dispute if it had been available at the time. In 2009, the East Lindsey Refinery dispute saw much of the union activity organised via websites, such as shopstewards.net and SMS messaging. This enabled a local dispute to spread to over 20 other construction sites across the country overnight.

But employee voice, collective or individual, is about much more than just protest. Employee representatives played, and continue to play, a very positive part speaking out on behalf of those at work; this can promote good joint decision-making that, in turn, helps to build trust and drive innovation.

Similarly, social media does more than just act as a safety valve for those people who feel they cannot be heard through the official channels. As well as providing an electronic soap box in a virtual speaker's corner, it clearly has a more dynamic role to play. For example, the mental health charity 'Time for Change' is successfully using social media channels to raise awareness of mental illness and tackle the stigma associated with it. Their 'Time to Talk' campaign aimed to stimulate 1,000,000

conversations about mental health and over 60,000 individuals have placed pledges on their online notice-board. And the government consultation on the hotly debated subject of zero-hours contracts received an unheard of 36,000 responses, the vast majority of which were posted electronically.

But before we get too excited about the increasingly close relationship between employee voice and social media, there are two significant problems. Firstly, research has shown that employee voice has become too narrowly preoccupied with communication and has neglected the two other key components of voice: consultation and negotiation. The most recent Workplace Employment Relations Study (WERS) showed that employers are increasingly keen on direct forms of communication, with a notable rise in the use communication via emails (up from 35% in 2004 to 49% in 2011).

And consultation, where it happens, is being interpreted as a much narrower process than in the past. WERS shows that although managers were still tending to use joint consultative committees to seek solutions to problems (at 40%), the proportion of managers who said they mainly use committees to seek feedback on a range of options had fallen, from 45% to 39%. Significantly, managers were tending to seek feedback on a preferred management option (up from 9% to 28%), and worker representatives reported a decline in so-called 'options based consultation'. So, in many workplaces, the conversation between employees and employers may not always be as very free-flowing as it should be.

The second problem is that although social media has the power to liberate employee voice by allowing employees to take part in consultation in real time and using peer review to quickly refine proposals, social media platforms too often have to fit into traditional, hierarchical organisational structures. In addition, many employers are attempting to use social media platforms as just another communication channel, with information delivered to employees in a controlled environment that is closely monitored by senior management.

Part of the problem may be that many employers were beginning to accommodate new social media platforms at a time when employee voice

had been weakened by declining numbers of representative structures (particularly those that provide genuine opportunities for consultation) and, also, when the impact of the recession had partially stifled the expression of employee voice. But as the economy starts to grow, employers may have to respond to employee expectations for a more participatory dialogue with their employers – particularly around issues like pay and quality of working life.

Can social media channels provide the necessary structure to fill these gaps, to give employees a genuine voice in how their workplaces are run? Acas would argue for the need to develop an ‘optimum voice mechanism’ that embraces all three components of voice – not just communication, but consultation and negotiation as well – and that uses all available channels.

Social media can help managers learn to be active listeners, and offer feedback, but for this to happen they need to start applying the same rules of the game as applies in face-to-face consultation. Critically, these must include relationships based on trust and the rule of ‘no surprises’ (in other words, explain why you have come to the decisions you have).

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What role will social media play in promoting employee voice?

Jonny Gifford, Research Adviser, CIPD



Jonny is a Research Adviser at the CIPD, having previously worked at Roffey Park Institute and the Institute for Employment Studies. His work spans various aspects of people management, employee relations and organisational culture. Particular interests include employee voice and engagement, enterprise social networks, workplace conflict and the application of behavioural science to people management.

Great claims are made of social media as a tool for employee voice. It's an open and dynamic channel, very much of the age, and is seen to draw employees into discussions about their work or organisations, giving employees a greater say and employers greater insight into their views. A particular feature of social media is that it makes communications multidirectional, instead of merely two- or even one-way. It means we can communicate with colleagues across the organisation at the same time as feeding ideas 'up'. And for their part, senior leaders can use social media discussions to quickly gauge how corporate messages or initiatives are landing with employees and what concerns they have.

Gated enterprise social networks (ESNs) in particular are becoming common. These are viewed as safe places for online conversations that, increasingly, employees may otherwise hold on platforms like Facebook. The risk of airing dirty laundry in public is seen as acute in many organisations and often underlines a business case for introducing an ESN.

Yet despite the potential to enhance employee voice, the impact at a UK level remains superficial. A 2013 national survey by the CIPD found that, where internal social media platforms exist in an organisation, employees do view managers as slightly more inclined to seek their views, but this difference evaporates when one looks at how responsive managers are to these views or how open they are to being influenced. In essence, social media has given employees a slightly better platform

to express their views, but has not influenced the degree to which management is listening.

As the maxim goes, 'it ain't what you do, it's the way that you do it.' The same research found that organisational benefits from social media are more pronounced where managers are more consultative. This time, the difference does carry through to how well managers respond to suggestions and allow employees or their representatives to influence decisions. So to get the most out of ESNs, the culture of the organisation needs to be such that listening to employees is taken seriously.

This is in line with case study research (Martin et al 2013, CIPD 2014) that testifies that social media can be an effective part of a strategy for more open and democratic communication, but this cannot be taken for granted. Initially at least, employees' use of ESNs tends to reflect prevalent culture more than challenge it. If the norm is command and control, or covering one's back, employees will need a good deal of encouragement and reassurance before they do anything on social media that feels like sticking their neck out.

Nonetheless, the medium in itself does encourage many employees to use their voice. Many people find social media an inherently engaging platform, certainly when compared to completing that stalwart of 'having your say', the staff survey. As such, social media can be a force against the antipode of employee voice, namely employee silence. It offers a channel that facilitates different types of conversation and draws employees into discussions that they may not otherwise participate in, which is especially apposite for employers concerned that their workforces are not sufficiently represented within existing representation structures.

This is in no way to suggest that social media replaces the need for representation. There is a risk, if it's seen as the only channel for employee voice, that the independence of that voice is compromised and genuine concerns about the employment relationship are not aired. But as another string to the employment relations bow, it is surely to be welcomed.

To a degree, social media challenges traditional notions of voice. The question of how employees make their views clear to their employers starts to merge with how employees network, exchange ideas and directly influence colleagues. And many of the most energised discussions that take place on ESNs concern improving work practices, resolving operational issues, sharing professional learning or supporting colleagues, as opposed to terms and conditions. So to understand the workings of employee voice and internal communications in a digital world, we need to ask: what do employees really want to influence in their organisations?

Social media is an inherently democratic and potentially powerful communication tool, but it is not a one-stop 'solution' for voice. The technology will not transform organisational culture on its own. However, used as part of a drive for better communication between colleagues at all levels in the organisation, it can be expected to contribute not just to employee voice but also to the smooth running of the organisation.

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What role will social media play in promoting employee voice?

Andrea Broughton, Principal Research Fellow,
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Andrea has more than 20 years of experience researching and writing in the areas of employment relations, working conditions and industrial relations, specialising in international comparative research. Before joining IES, Andrea was editor of the journal *European Industrial Relations Review*.

The meteoric rise in the use of social media as a communication tool has changed the way in which people interact, both at work and in their private lives. Social media enables interactive and informal communication to take place in real time and with a huge reach. It is now the norm for people to post their thoughts and reactions on sites such as Facebook and Twitter: Match of the Day, for example, now includes real-time tweets at the bottom of the screen from footballers on how they feel the day's match has gone.

Given its enormous potential for wide and interactive communication, social media would seem ideally suited to promoting and perhaps reviving employee voice in these times of dwindling collective voice. Its interactive nature could potentially help to improve existing collective consultation mechanisms by providing good feedback and involving and engaging employees more widely. Many trade unions have seen the potential of social media (Pliskin et al 1997) and have sought to build an online presence to communicate with their members and to organise protests and flash mob-type actions, whereby a group of people assemble suddenly in a public place to perform an unusual act for a brief time, as a form of protest, and then quickly disperse. One of the real advantages of social media is that it enables quick and easy communication among geographically-dispersed people.

However, one of the main challenges for social media is that expectations of its powers may be too high. It should basically be seen as a tool rather than a solution: how social media is used in a workplace will

be a reflection of the culture of that workplace, rather than a catalyst for significant change. If an organisation's communication culture is top-down and controlled, senior management will be unlikely to agree to relinquishing this control by adopting an open consultation and negotiation approach through social media. By contrast, if there is an embedded culture of employee voice and a good relationship between employees and management, in which open and trusting consultation and negotiation takes place, this is likely to be enhanced and continued through the use of social media.

Of course, no two organisations are the same, and the extent to which social media is embraced as a communication tool will vary considerably. Some organisations decide to integrate it into all their communications processes, both in the workplace and in their customer-facing functions, in order to build consumer trust and enhance their brand, while others view it with some mistrust. It is certainly true to say that there are still no real universally-accepted norms regarding how to use social media. There have been many well-documented incidences of employees behaving ill-advisedly on Facebook and Twitter, not heeding the advice of don't do anything online that you wouldn't do offline. Employers have sometimes reacted strongly to this, resulting in some high-profile unfair dismissal cases (Acas 2011).

Managers can be sceptical about social media, fearing that employees will use it to waste time and be less productive. They may also fear that opening up the communication channels will take the decision-making onus away from management, will take up a lot of management time dealing with employee comments and complaints and be a general hindrance to management's right to manage. It should be remembered, however, that issues raised in an open social media forum are already being discussed by employees behind closed doors, and if an employer is serious about wanting to engage with employees, social media may be a useful channel.

Employees can also be sceptical about social media: if they feel that the culture of their organisation is not open to genuine consultation and negotiation, they are unlikely to see social media as the remedy to this. They are more likely to view any management attempts to set up

communication via social media as a management-run initiative that is paying lip service to proper consultation and will not allow employees true voice.

Employees will only engage honestly if they feel that it is safe to do so and that there will be no negative repercussions for them. One way of assuring this is to make contributions to social media platforms anonymous. However, the advantage of naming contributors is that forums become self-regulating and inappropriate comments are less likely.

So, what does the future hold? How can organisations use social media to further, promote and deepen employee voice at the workplace? Given that social media is a tool rather than the solution in itself, the goal of using social media to open up genuine communication channels with employees needs to be put into place as a core policy aim. Senior management needs to be committed to this, and all managers need to be aware of it in order to communicate this to staff. Social media can then be used as the medium through which this is achieved. Just moving all existing communications channels to a social media platform will not be sufficient to embed real employee voice into an organisation.

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5.

Will flexible forms of working be the answer to work-life balance?

Featuring

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Will flexible forms of working provide the answer to work-life balance?

Steve Williams, Head of Equality, Acas



Steve advises on equality issues and is the author of Acas good practice guides including pregnancy and maternity, age equality, addressing bullying and harassment and handling bereavement. He is also the author of the new Acas statutory code of practice on the right to request flexible working. Steve was the former head of the Race Relations Employment Advisory Service.

The word flexibility has both positive and negative connotations. It can imply that someone will go out of their way to accommodate your needs, to fit in with your plans – a ‘whatever suits you’ approach. Being ‘flexible’ can also signal that you are open to discuss an issue and search for a compromise.

But flexibility can also be perceived as a weakness: for some people it conveys a lack of commitment – ‘when exactly are we meeting again’? Somehow, if something is flexible, it may not appear to matter as much.

For many years the government, along with most interested stakeholder groups, have been very much in the ‘flexibility is good’ camp. The Department for Business, Innovation and Skills’ ‘Employment Law Review’, for example, sets out a vision for a labour market based upon the three pillars of flexibility, effectiveness and fairness.

In the ideal world flexibility helps businesses to adapt more quickly, to be more resilient to change, to meet customer demand and, critically, to provide their employees with a good work-life balance. Equally, flexibility enables individuals to take jobs on terms that suit their circumstances, and to seek out new opportunities.

There is a clear distinction between contractual flexibility and flexibility around working hours. The former has come under some criticism recently, particularly with the debate surrounding the use, or misuse, of zero-hours contracts. The argument is that this form of labour flexibility is balanced too much in favour of the employer.

In terms of genuine employee choice, there has been a clear drive to allow people the chance to arrange their working lives to suit personal needs – in terms of looking after relatives or spending time with young children. New technology has, of course, accelerated the opportunities for people to work from home and to stay in touch with colleagues and the emergence of a ‘4 Generation’ or ‘4G’ workforce has provided an extra dimension to the need for flexibility.

The extension of the right to request flexible working in June 2014 has brought the issue of work-life balance firmly back to centre stage. But has it heralded the revolution in workplace practice that some may have envisaged? When it comes to making a request, perhaps not, with CIPD research from 2012 suggesting that two-thirds of employers had already agreed to consider requests from all employees before the legislation was introduced. It’s early days, but the process is only half of the battle – what has the right to request started to tell us, if anything, about attitudes to flexible working?

Feedback from employer groups indicates that the right to request is raising the issue of line manager confidence and identifying a skills gap around their ability to manage difficult conversations about turning down a request. Acas experience also tells us that managers can find it very uncomfortable saying “no” to requests.

Saying “yes” because it’s easier or the nice thing to do is rarely the best policy. The focus from an employer perspective has to be firmly on what works for the team and the business unit and not just the individual. The key point to make is that all decisions must be made objectively and without any bias.

Yet anecdotal evidence from the Acas Helpline suggests that, worryingly, negative perceptions of flexible working are still ingrained in many workplaces. Some managers assume that the flexible worker is not as committed as those who keep regular hours. Indeed, for some employees “presenteeism” is very much a feature of the workplace.

According to MIT research by Eisbach and Cable in 2012, showing your face at work really does matter. Their research suggests employees who

work from home or remotely may end up getting lower performance assessments and promotions because they lack “passive face time” where simply being seen at work (irrespective of any assessment) credits the visible employee with positive traits over the less visible flexible worker.

These findings are re-enforced by Acas research on its own homeworkers. Acas Senior Researcher, Andrew Sutherland, states in his Acas Policy Discussion Paper that “traditional managerial attitudes about employees needing to be seen to be considered productive have long been found by research to be the greatest barrier to homeworking success”.

This form of unconscious bias in managers must be addressed if flexible working is to be the springboard for better work-life balance. Training of managers to be alert to how they make choices about employees’ requests can help reduce the effect of passive face time and get them to focus objectively on performance. Many organisations are addressing unconscious bias, especially where it could impact on the 2010 Equality Act.

So, is flexible working the answer? In itself, working patterns can only take you so far: they need to be embraced alongside wellbeing initiatives so that individuals are seen in the round but, equally, in order to succeed, flexible working must work for everyone: the individual, the team and the business.

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Will flexible forms of working provide the answer to work-life balance?

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Ksenia specialises in leadership studies and is interested in practical measures of value-led behaviours of managers and employees. She is currently working on identifying the effects of leaders' sacrificial behaviours on followers, as well as reviewing the implications of the shifting work paradigms for individual career trajectories and organisational purpose.

Flexible working is an important area both from the policy and workplace practice perspectives. Working arrangements that provide individuals with choice over when and where to work allow those who have time-consuming responsibilities outside work, for example carers and parents, to continue their employment. Similarly, it allows individuals who are not able to work full-time, such as those with some long-term health conditions, to participate in employment on a part-time basis, or work from home where possible.

From the employers' point of view provision of flexible working options can help organisations manage the fluctuations in demand for their services (for example, through employing additional workers on atypical, or 'non-standard' employment contracts), as well as improve attraction of talent, employee motivation and job satisfaction through better work-life balance. As a result, the number of organisations offering flexible working options is gradually increasing (CIPD 2013, 2014). At least four in 10 allow flexi-time (ability to choose start and finish time of the working day), and 38% have career break or sabbatical options. Only one in 10 organisations (mostly SMEs) say they don't offer any flexible working options – that is despite the extension of the right to request flexible working to all employees in 2014, which may point at the low awareness of the relevant policies in some organisations (CIPD 2014).

Indeed, the changing employee preferences around their careers and work in general suggest that greater flexibility of work may lead to greater employee outcomes, beyond meeting the needs of parents and

carers. Looking at the profile of an ‘ideal career’ as reported by UK employees in 2005 and 2014, nine out of ten workers are consistently interested in having social life away from work, as opposed to social life built around work, and slightly more employees (86%) would like to have a clear boundary between work and home, compared to nine years ago (82% in 2005).

Of course, in practice the boundary between home and work is less strictly defined. Almost half of employees (47%) regularly work more hours than they are contracted to. Although the key cause for that is the workload volume, other reasons for working extra suggest that flexibility in working hours may suit both the business and the employee: 30% of employees work outside of their fixed hours to match customer demand, while 14% say they do so to match their preferred pace of work. Similarly, 45% of employees say they take phone calls or respond to emails/messages outside of their core hours (a further 11% read the messages but do not respond while not in work). Of those, only 10% do so as part of the formal requirement (for example being on call) and 36% of employees say staying contactable outside of their working hours is their personal choice (CIPD 2014).

In theory, flexible working has benefits both for the employers and employees, but the barriers to greater uptake cited by some organisations are indicative of the fact that despite the existence of formal policies for flexible working, not all workplaces have the culture of trust necessary to establish truly flexible working. Flexible working is largely reduced to discrete practices like adjusting the start and finish of the working day, changing the total number of hours worked per day and per week, or being able to work from a location different from the organisation’s core office (homeworking and teleworking). The problem with these approaches is that they still restrict flexibility, only to a new working pattern, where any further adjustments need to be negotiated again with the employer. Operational pressures, negative line manager attitudes, and caution against increased diversity of working patterns within the same workforce continue to prevent a greater uptake of flexible working.

An alternative, and perhaps radical way, would be to measure employees’ performance based on the output, regardless of when and where they

work. Such an approach presents contractual challenges, and requires a rigorous set of performance measures, consistent and fair across different categories of staff. Unsurprisingly output-based working is only used by 5% of organisations in the UK and annualised contracts (where the contract specifies the number of hours worked over a year rather than a week or month) by 15% of organisations (and only 6% of SMEs). According to employees, 7% of the UK workforce, and 16% of those in 'non-standard' jobs (not regular, 9-to-5 employment) are working towards an agreed output rather than fixed hours (CIPD 2014).

One organisation that is starting to practice such an approach to flexible working is Deloitte UK. They introduced their WorkAgility programme, offering a range of flexible working options, including 'Time Out' – the right to request a block of four weeks' unsalaried leave each year, without reason or justification. Implementation of the initiative depended directly on getting buy-in of senior managers and line managers to start changing organisational culture.

An output-based approach to flexible working based on mutual trust between the employer and the employee takes time to achieve, but has an additional benefit of changing perceptions around workforce flexibility, traditionally associated with parents and carers, and working patterns, beneficial to individuals' preferences around work-life balance, as well as making flexibility an important strategic tool to improve organisational productivity.

References

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Verity O'Keefe, Employment and Skills Policy Adviser, EEF



Verity is responsible for developing EEF's skills policy and a number of employment-related policy areas including family rights reform. She regularly responds to government consultations and inquiries on these issues and represents manufacturers' views on a number of high-level stakeholder groups. Prior to EEF, Verity worked at the London Chamber of Commerce and Industry.

Manufacturers work in fast-moving global markets, where success is based on the capacity to provide solutions, exploit niches and respond to a growing and dynamic customer base. Innovation in new products, services and processes, investment in modern machinery and the ability to tap into new export markets are the cornerstones of competitiveness.

As manufacturers strive to do things better, a flexible and adaptable workforce is crucial to achieving this success. They are therefore seeking flexibility from their employees as employees may be seeking flexibility from their employer. Employers offering flexible forms of working can support their employees to achieve a better work-life balance, and in return employees are often more willing to be flexible for their employer.

For manufacturers flexible working has always formed part of their working arrangements. Even before the right to request flexible working was introduced for all employees manufacturers were offering a variety of flexible working practices. Our research shows that: three in ten were operating part-time working for production employees; over a quarter were operating individualised hours or shifts and one in five compressed hours. Others adopted practices such as banked hours, career breaks and job sharing.

There does however come a point or a circumstance when an employer simply cannot accommodate additional flexible working practices. Some have negative perceptions about manufacturers' attitudes to flexible

working, yet our own survey data has found that management resistance is one of the least common factors limiting successful requests. Instead the main barriers are the actual set-up of production and an inability to source cover for employees.

The former is a manufacturing and production-specific constraint. Over time, as new technologies and processes are developed, the setup of production may fall lower down the rankings of potential employees. However, the inability to find suitable cover remains a significant challenge at a time when four in five manufacturers are struggling to recruit. This is made particularly difficult when recruiting for positions that require niche, and therefore scarce, skills.

Nevertheless, flexible working practices have very much become the norm in the modern manufacturing workplace. The increased demand for highly skilled workers has led to many manufacturing employers accommodating extensive flexible working practices to retain specialist skills. In the past few years manufacturers have reported some positives in this area with seven in ten agreeing they are able to be more flexible due to the improving skill-sets of their workforce.

Manufacturers recognise that to be successful they need strategies which engage and motivate their workforce, as well as to secure buy-in for new initiatives or ways of working. For flexible working to succeed in the manufacturing workplace it needs to facilitate discussions between employers and employees which result in finding the most suitable approach. They embed this cooperation into their wider business strategy of employee engagement, rewarding and investing in multi-skilled staff. This approach is clearly working in our industry with almost seven in 10 manufacturers agreeing that the co-operative relationship between management and their workforce helps them to achieve the flexibility they both need.

Employers are also using a variety of mechanisms to communicate with their workforce on a range of issues including flexible working practices. Previous EEF research has found this typically includes regular meetings, staff briefings and communication through line managers. More often than not it is a combination of these channels. What is clear is the

wide range of communication practices that occur and this is in itself a reflection of how working arrangements and production practices vary across manufacturing, and that a 'one-size-fits-all' approach does not always work.

Flexible working has always been, and remains, a two-way street. Not only does it help employees balance their lives inside and outside of work, it also helps employers secure commitment and flexibility from their workforce. To an extent then it does support employees to achieve a greater work-life balance – what that balance is will undoubtedly differ amongst employees.

Of course work-life balance for employees does not always have to come from legislative change. Whilst manufacturers have extended approaches and adopted new policies to fit with the most recent legal changes, businesses will be looking for a stable regulatory environment. Indeed a quarter of manufacturers say that flexibility in the workforce is more difficult because of the regulatory environment. Legislative changes too often follow a 'one-size-fits-all' approach which isn't always the best solution to provide the ideal work-life balance. The majority of EEF's members tell us that the most workable and beneficial flexible working practices are those where open and honest discussions about flexible working, and indeed work-life balance, take place between an employee and their employer.

References

EEF. 'Flexibility in the Modern Manufacturing Workplace'. 2011

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Key takeaways

Key takeaways

Productivity and skills

The small stuff matters: solving the productivity puzzle is about trying to “better understand how people interact at work, the policies they use and how their jobs are designed.”

Lack of trust is a drag on productivity: “management and employees can waste time second-guessing each other and employees will be wary of change.”

Employment relations can be a good teacher: “three beacons can light the way towards a much better use of skills and increased productivity: the effective management of ability, motivation and opportunity.”

Atypical contracts

Zero-hours contracts can offer flexibility but there are also deep-rooted problems: “there may be a significant loss of trust in the employment relationship, characterised by a sense of power imbalance.”

Quality of work is an issue: this often comes down to “how atypical employees are managed in the workplace in practice and how concerns are addressed.”

The impact on society and the economy are likely to be profound: “atypical workers will mostly be earning low wages, not paying very much tax or national insurance and not spending very much.”

Managing conflict

Conflict management needs to be seen as a high value activity: it can be “a powerful tool for building trust, opening up channels of communication and helping create more harmonious and productive workplaces.”

Line managers lack confidence and HR are risk averse: “many HR managers see their bottom-line role as protecting the organisation’s reputation.”

Mediation can be a powerful tool: it can help “to create an environment which is conducive to early resolution through discussion as opposed to the rigid implementation of procedure.”

Social media and employee voice

The potential use of social media at work remains largely untapped: “many employers are attempting to use social media platforms as just another communication channel: with information delivered to employees in a controlled environment.”

Social media can help improve our listening skills: “to get the most out of enterprise social networks (ESNs), the culture of the organisation needs to be such that listening to employees is taken seriously.”

Social media is often a reflection of organisational culture: “senior management may be unlikely to agree to relinquishing their control through the use of social media.”

Flexible working and work-life balance

Managers don’t always like saying ‘no’: “Acas experience tells us that managers can find it very uncomfortable saying “no” to requests.”

Why not focus on output rather than ‘when’ and ‘where’: “an output-based approach to flexible working based on mutual trust between the employer and the employee could change perceptions around workforce flexibility.”

Flexibility is about being vocal: “for flexible working to succeed in the manufacturing workplace it needs to facilitate discussions between employers and employees.”

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