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The High Performance Toolkit

Your Guide to Managing a High Performance Organisation



Workplace flexibility: Developing a business case

Times are changing. High quality goods and services are now demanded outside of what were once considered normal business hours. Employers want flexibility to compete and provide better services when customers or clients require, while employees want job security, job satisfaction, fairness and the ability to balance their lives outside work and to do their jobs well. One of the most essential considerations for a high performance organisation is workplace flexibility.

How to use this fact sheet

This fact sheet aims to assist you develop the business case for workplace flexibility. It includes ideas on how you might achieve this, as well as examples from other organisations demonstrating how they have developed a business case to achieve workplace flexibility.

While there are some broad principles or guidelines that can be used to demonstrate the business case for workplace flexibility, it is important to remember that each organisation is different, so the tools and techniques that work may differ. You will need to tailor any ideas to your own unique situation.

However one thing is certain. In meeting the need for workplace flexibility and in developing the business case, change must be led from the top and be based on agreement and consensus between all involved – managers, employees and any representative body such as a trade union.

Successfully demonstrating the case for a more flexible workplace requires a step by step approach and this fact sheet sets out a three-stage process to help you. And although this fact sheet focuses on the business case for a flexible workplace, it must be seen in the context of the other strategies canvassed in related fact sheets.



First stage – starting out

Workplace flexibility benefits both employers and employees. Research has shown that savings and profits for businesses increase. The quality of everyone's work improves if their needs for flexibility are met. Obtaining these benefits from delivering a flexible workplace requires:

- involving employees in decisions about flexible work options
- making sure their needs and aspirations are considered, and
- winning organisational commitment to flexible ways of working – this includes the commitment of senior managers, supervisors and employees.

Ideas worth trying

A flexible workplace that meets the needs of all the stakeholders - senior managers, employees, clients and customers is as much about how flexibility is introduced as about which flexible work options are available.

Ensure 'buy in' by demonstrating to senior management, employees and their representatives how flexibility will benefit the business and the work force as a whole.

Benefits to the business from workplace flexibility include:

- greater ability to meet the demands of clients or customers
- increased employee productivity, motivation and commitment
- reduction in absenteeism and employee turnover
- attraction and retention of talent – becoming an employer of choice

- a more flexible approach to organisational change, and
- compliance with industrial and anti-discrimination legislation.

Benefits to the work force include:

- greater ability to manage time at work through the potential for increased autonomy to determine how, when and where the job is done
- potential for a more balanced and enjoyable work life and career progression, and
- increased time to travel, to participate in sports, hobbies and voluntary work and more time to spend with family and friends.

To build the business case for workplace flexibility work out which of these benefits will be most relevant for your organisation.

» Good practice

One of the key drivers of the Life/Work Program at the Product Development Division of Ford Australia was the need to attract and retain employees, especially women. The result was a four-fold increase in job applications in the following 12 months. Candidates indicated that the Life/Work Program was a significant factor in choosing to apply for a job at Ford.



Second stage – moving forward

Flexible work practices are patterns of work that allow organisations to operate more effectively. They also have the potential to assist employees to balance more effectively their work and family lives. In building the business case for flexibility it's important to look at the benefits that accrue at the individual workplace level for both the organisation and the employees.

Ideas worth trying

Bring the organisation along with you in building the case for flexibility. Establish a partnership approach at the outset. Establishing a representative committee to oversight the development of the business case is useful. It can assist to build commitment and/or highlight any issues at an early stage, as well as smooth the way towards the implementation of a more flexible workplace.

Calculate the potential cost savings and benefits specific to the organisation:

- increased employee retention will mean a reduction in the direct and indirect costs associated with recruitment. For example, the cost of a new recruit may vary from the equivalent of three months' salary to more than nine months' salary for a specialist
- increased retention will also mean less time spent interviewing new staff, less time and money spent on induction and less productive time lost during new staff hand-over time.
- greater flexibility for employees will mean a reduction in the direct and indirect costs of unplanned absenteeism – cost savings here will include cost of overtime or a short-term contractor to meet work commitments, and

- if working from home or telecommuting are considered within the flexible workplace options there will also be the potential for saving on office space and traveling time.

Calculate the benefits in terms of human resources:

- gains in the number of skilled applicants for jobs – number of candidates for each job, number that meet the level of knowledge and skills in the advertisement/job description
- increase in levels of employee commitment, motivation and job satisfaction – demonstrated through organisational climate surveys, and
- greater workforce equity and diversity – demonstrated through the workforce profile.

Calculate the benefits in terms of customers/clients and the wider community:

- flexibility in meeting customer demands – demonstrated through customer surveys, and
- recognition as an 'employer of choice' and a 'good corporate citizen'.

» Essential

Others have been there before – read, research and ask about the benefits other organisations have obtained from workplace flexibility.

» Avoid

A 'once size fits all approach' to flexibility will not work – each organisation is different, workplace and workforce needs vary.



Third stage – new horizons

Although at first there may not be detailed data to enable a comprehensive assessment of all the impacts of flexibility across the organisation, consultation with managers, employees and their representatives will point to the way ahead. As the various elements of workplace flexibility are tracked over time, a comprehensive assessment of effectiveness will become clear.

Ideas worth trying

Identify the particular workplace flexibilities with potential to meet both business and employee need. Consider the following:

- policies and procedures that are already in place
- the impact on customers/clients of new ways of working
- whether employees all need to start and finish at the same time
- the management/supervisor time and training needed to coordinate a more flexible workforce
- back-up arrangements when employees are on leave, and
- planning and scheduling to cover the busy periods.

Further define the business benefits of a flexible workplace by piloting flexible work options in a particular work group or work team. Choose for the pilot a group or team that may already have 'unofficial' solutions to the need for workplace flexibility. From here it is possible to quantify outcomes and a successful pilot does much to win broader acceptance.

Document all that has been learned. This will include direct benefits or costs, as well as startup costs such as an awareness campaign, training for supervisors and employees and the cost of monitoring program effectiveness.

Continue monitoring the workplace flexibility once in place. This will add to the business case:

- monitor turnover – the level of employee turnover, the reasons for turnover, and
- monitor absenteeism – levels of unscheduled absenteeism, key causes of absenteeism.

Success in building the business case for workplace flexibility comes when:

- senior managers understand how workplace flexibility impacts on recruitment, retention, customer satisfaction, absenteeism, staff/employee morale and standing as employer of choice
- a majority of managers can explain the business benefits of workplace flexibility, and
- a majority of employees can identify how strategies for workplace flexibility link into their personal and the organisational business challenges.