

Business
Council of
Australia



BALANCING WORK AND FAMILY
A BUSINESS COUNCIL OF AUSTRALIA SURVEY

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the challenges of
juggling work and family
have become more acute



balancing work
and family





BCA Companies are making company-specific policies tailored to their circumstances and their employees

Introduction

Over the past 12 months, the issue of work/family balance has never been far from the headlines. Debate over the issue has focused predominantly on the social and personal impacts, within the context of longer working hours, the continuing trend of dual-breadwinner households, and parents increasingly citing difficulties in balancing work, financial and family obligations.

Side by side with the social debate, however, is an economic imperative.

Research suggests that families and couples are deciding to have fewer children than they would like because of work, career and financial pressures. While these decisions ultimately represent individual responses to the challenge of balancing work and family responsibilities, these trends also potentially impact on Australia's future prospects.

Over the past 10 years, there have been 1.4 million new entrants into the Australian workforce. However, our ageing and slow-growth population means that, based on current workforce participation rates and trends, Australia's pool of employees will shrink drastically in the future.

For a small economy competing within an increasingly competitive global environment, this represents a major threat to maintaining current levels of growth and, by extension, our ability to fund a fair, clean, safe and prosperous society. A key challenge for Australia, therefore, is to sustain population growth while encouraging the widest possible adult participation in the national workforce.

At a business and workplace level, the challenge is to develop a wide range of strategies to encourage more Australians to enter or stay in the workforce. Encouraging sensible work/family arrangements for employees is one such response. These strategies can contribute to easing pressures on parents that might otherwise discourage them from workforce participation, starting a family, or adding to it.

Against this background, the BCA has conducted a survey of work/family employer strategies of its Member Companies.

The Survey found these Companies, which represent a combined national workforce of around 900,000 people, are actively responding to the challenge by adopting a wide range of flexible measures such as:

- flexible working hours
- paid maternity and paternity leave
- assistance with childcare
- family support services
- job-share schemes
- work-from-home opportunities.

The Survey highlights the fact that tackling the issue effectively requires strategies, policies and activities that can be tailored to particular circumstances and employees, rather than assuming a one-size-fits-all solution.

Importantly for the business case for work/family strategies, BCA Companies report real benefits, including improvements in staff retention, recruitment, employee morale and productivity.

While the Survey focuses on the practices and strategies adopted by large companies, it also aims to provide small and medium size businesses with a greater understanding of the options, benefits and challenges associated with addressing work/family issues.



balance



Australia's Changing Workforce

As a result of declining birth rates Australia's population growth is slowing. This, coupled with increasing longevity, also means Australia's population is ageing.

The Australian Bureau of Statistics projects population growth will drop from around one per cent today to somewhere between -0.14 per cent to 0.71 per cent by 2051. Population ageing will see almost 15 per cent of Australians aged over 65 by 2011, rising to more than 20 per cent, or one in every five people, by 2031.¹

These changes will dramatically affect the profile of Australia's workforce. At present, Australia's working age population is growing by around 175,000 each year. Our working age population is expected to increase by 175,000 for the entire decade between 2021 and 2031.²

The impact on the workforce of these population trends is being compounded by the relatively low labour force participation rates among older workers and the early exit of baby boomers from the workforce.

Another major change occurring in the Australian workforce over the past two decades has been the increased participation of women in paid employment. This has had a positive effect on Australian businesses by adding to the pool of potential employees and increasing the diversity of skills and experience available to employers.

Yet, with the trend toward increased working hours, more families adopting a dual-breadwinner model, combined with the ongoing pressures parents face in juggling family with other responsibilities, the issue of work/family balance is now a significant one for many Australians.

The risk going forward is that birth rates will continue to fall or more parents may choose to opt out of the labour force. Both outcomes would further reduce the available sources of future labour.

The challenge facing business is not just about workforce numbers, but also workforce diversity. A workforce from a wide variety of backgrounds gives a competitive edge. It provides the breadth and depth of skills and experiences necessary to enable a business to deal effectively with complex and rapidly changing problems and challenges.

¹ ABS (2003) "POPULATION PROJECTIONS 2002 TO 2101", CAT. NO. 3222.0

² IBID

BCA Companies have in place a range of strategies, policies and arrangements that actively assist parents in balancing work and family responsibilities.

The BCA Survey

The BCA Work/Family Survey was distributed in July 2003 to BCA Members. Around 70 per cent of Members participated in the Survey – with a combined employment of 800,000 people.

The results of the Survey demonstrate that the majority of BCA Member Companies have in place a range of strategies, policies and arrangements that actively assist parents in balancing work and family responsibilities.

In fact, the Survey shows that 84 per cent of BCA Companies offer eight or more work/family policies, options or arrangements for their employees, with more than 60 per cent offering 10 or more. This underlines a recognition within large business that there is no single response or approach that will suit all organisations or employees.

More than 90 per cent of BCA Companies offer flexible working hours including flexible start and finishing times for staff, and over 80 per cent offer job share and work from home options. While these policies may not be directly targeted towards employees with children, they can assist parents in balancing their obligations.

In terms of specific work/family policies, three-quarters of BCA Companies offer paid maternity leave. Half provide paternity leave and one in ten provide work-based childcare. Two thirds of BCA Companies offer family support services, which include working parents group programs, counselling on work and family issues and structured outside-work family activities.

OF BCA COMPANIES THAT PARTICIPATED IN THE SURVEY:

- 93 per cent offer flexible working hours including flexible start and finish times
 - 88 per cent offer job sharing
 - 74 per cent offer paid maternity leave (average 7.8 weeks)
 - 53 per cent offer paid paternity leave (average one week)
 - 88 per cent offer work from home/teleworking
 - 13 per cent offer work-based childcare
 - 69 per cent offer family support groups and services
-

Policies, Strategies and Options: A Summary of Business Initiatives

FLEXIBLE WORKING HOURS

An overwhelming majority of BCA Companies (93 per cent) offer their employees flexible working hours and flexible start and finishing times, with arrangements on a short-term basis or for an extended period.

Other popular strategies include work from home and job share arrangements (88 per cent). Part-time work options, where possible, are particularly attractive to employees with young families. One Company found that 16 per cent of staff returning from maternity leave are entering part-time work arrangements while another reported that the percentage of staff returning from maternity leave has increased following the introduction of flexible working arrangements. A number of Companies reported that flexible hours result in greater employee loyalty and 'key talent continuity'.

Flexible work arrangements can also lead to increased commitment by employees with variable workloads. One Company has found "evidence that families are more understanding at times when there are pressures for high work levels and overtime when there is understanding that benefits and flexibility are available at less demanding times."

A limited number of Companies offer school-term-only work arrangements (18 per cent) to assist employees with school aged children. One BCA Company has introduced a policy of limiting meetings between the hours of 9:00am and 5:00pm in consideration of school and childcare pick-up and drop-off times.

"Morale is maintained through the use of paid family leave and flexible hours by staff and managers to adapt to unforeseen family needs and balance work and family." BCA Company

PAID MATERNITY LEAVE

The Survey results show that nearly three-quarters of respondents – that is 50 Companies – offer paid maternity leave, providing on average eight weeks of leave. Some Companies have more expansive schemes, with one providing for up to 14 weeks of paid leave.

The bottom line is that for many businesses it makes good business sense to offer paid maternity leave. Such schemes can be a factor in attracting and recruiting women to an organisation. They can be important in retaining female employees and hence skills and experience. One BCA Company estimates that replacing an employee who has left after having a child can cost the equivalent of one to three times the employee's annual salary.

Yet, while many BCA Companies find it beneficial to provide this option, others have adopted alternatives which they find better fit the needs of their staff. For example, one Company is considering a policy of offering part-time work for full-time pay for returning mothers to help them balance work and the costs associated with a newborn child.

As the Survey results highlight, some women will, after a period of leave, choose not to return to work after the birth of a child, regardless of the policies offered by an employer. BCA Companies report that around one in four women do not return from maternity leave. Some Companies have structured their maternity leave policies so that a portion is paid while the employee is on leave, with the balance paid after the employee has returned to work for a period of time (such as three months).

In terms of the well-publicised debate about paid maternity leave, responses to the BCA Survey and wider anecdotal evidence point to the fact that it is only one of a number of policy options for employers who want to effectively support working mothers. It can be an important option for some women, for whom the financial implications of time away from work are significant. But for others (and their partners), greater flexibility on return to work, and a broader acceptance of the ongoing challenges associated with juggling work and family can be as important.

“Childcare in close proximity to the workplace allows a mother to return from parental leave sooner, decreased travelling time between office and childcare, and, in an emergency, enables staff to return to the office to meet deadlines.”

BCA COMPANY

PROVIDING OR ASSISTING WITH CHILDCARE

In recognition of the importance employees place on quality childcare, almost 50 per cent of BCA Companies said they offered assistance or information regarding childcare facilities and placement. This may include a free childcare referral/search service, tips in choosing providers and a kit outlining childcare options.

Nine respondents offer work-based childcare, the key benefits being that employees are able to return to work sooner and they are able to maintain close contact with their children.

Offering work-based childcare can be a successful strategy in retaining staff. As one Company reported: “Many employees using employer-sponsored childcare choose to remain with our company until their children go to school.”

Yet, work-based childcare represents a major commitment by an organisation in assisting their employees to achieve a work/family balance. It is a substantial cost to the organisation and is most suited to companies that have a large number of employees located in one place.

Companies that do not offer work-based childcare cite its high cost, the geographic spread of employees or the existence of more effective and popular ways to assist employees with their family obligations as reasons why they have opted for other work/family policies and arrangements.

“Work-based childcare encourages bonding between parent and child as most parents visit their children during their lunch break.” BCA Company



FAMILY ENGAGEMENT

Engaging or encouraging employees' families to participate in company activities, and providing family support services are seen by many Companies surveyed as an important part of achieving work/family balance. While there are significant benefits in terms of morale and bonding, it also gives employees' families an understanding of their work and role in the Company.

A significant majority of BCA Companies offer family orientated events (73 per cent). These include Christmas parties, sports days, sponsorship for participation in non-Company events and other activities.

A majority of Companies (69 per cent) also offer family support. Many Companies extend the benefits of their Employee Assistance Program (EAP) to their employees' immediate families. Other strategies include working mothers' groups and scholarships.

“Our EAP is available to employees and family members affected by personal concerns, for example health, family, financial, alcohol, drug, legal, emotional, stress and other concerns.” BCA Company

Costs, Benefits and Challenges

BCA Companies represent many of Australia's largest business organisations. On average, over 10,000 people are employed in each Company. Changes to their human resources policies – such as the introduction of paid maternity or paternity leave – affect large numbers of people and can involve significant cost. Of course, these policies are not adopted by senior management and supported by their Boards without considering the potential bottom-line impacts.

That said, the BCA Survey results suggest that few Companies have, to date, carried out comprehensive cost-benefit analyses of their specific work/family policies in practice. In part, this reflects the fact that some of the policies adopted provide flexibility for all staff – in other words they are not simply work/family benefits. It also reflects the fact that decisions about joining a company, returning to work after the birth of a child and so on, are complex and cannot easily be attributed to specific company policies. Likewise, some of the benefits that flow from these policies – improved morale and staff loyalty for example – can be difficult to measure and quantify, particularly in terms of the direct impact of one policy or another.

Yet there are clear indications from BCA Companies, and business generally, that these policies do 'work' and are important to their bottom-line.

Many Companies reported improved retention rates, higher productivity, strengthened loyalty and morale, and improved job satisfaction. Supportive work/family practices can also give Companies a competitive edge in recruiting skilled employees.

One BCA Company reports that the number of women returning to work after maternity leave has risen from around 70 per cent 10 years ago to as high as 93 per cent last year on the back of improved work/family practices. Another Company noted a 16 per cent improvement in staff satisfaction over 18 months, which they attributed to improved work/family policies while others reported a significant increase in their ability to attract new graduate applicants.

While the clear picture provided by Companies is that work/family policies are beneficial, there are challenges associated with their implementation.

The difficulty of developing and accommodating part-time work opportunities for returning mothers is frequently cited as a significant challenge. This is particularly so in the case of jobs that involve long and irregular hours, frequent travel or after-hours commitments at short notice. Other Companies (such as those in the manufacturing sector) require a certain number of skilled staff to always be on a shift and find it difficult to accommodate the greater flexibilities associated with providing part-time work options and other work/family initiatives.

Even in some of these cases, however, BCA Companies are seeking balanced solutions. For example, one Company whose staff are regularly expected to travel, makes a commitment to exempt new mothers from travel for a year after the birth of a child.

Resentment from managers having to become more adaptable as their staff take up more flexible working options, and resentment among other employees, were also identified as difficulties to overcome in implementing work/family policies.

A lack of management knowledge and understanding of work/family issues was an often-repeated comment. One respondent noted: "We still face a number of mind set issues with managers who are unable to think of creative ways of implementation and still feel that a large proportion of jobs must be 'full-time' jobs."

As part of the Survey, BCA Companies were asked to identify barriers to going further with their work/family balance strategies. By far the most common response to this question was 'company culture'.

According to one respondent: "Family-friendly initiatives are often seen as 'soft' by some managers who expect 100 per cent dedication by all staff to their cause." Another says: "These policies are still seen as 'women's business'."



This attitude persists notwithstanding the fact that the traditional family structure of a male breadwinner in a single-earner household with dependent children only applies to one in six Australian households.³

The clear consensus is that work/family policies are more effective and achieve higher take-up when the change is led from the top and their benefits and intentions widely understood. The need for cultural change to underpin work/family policies also means that it can take time before these policies are readily embraced and have their full impact.

As one BCA Company noted, "We began our initiatives in 1994 with a Work & Family Task Force. The initial difficulties were in changing the work culture to recognise the importance of Work & Family and that this was not just a 'female' issue. We have succeeded in changing the work culture over time, and recognising the importance of work and family is now the way our company operates."

Many Companies reported improved retention rates, higher productivity, strengthened loyalty and morale, and improved job satisfaction. Supportive work/family practices can also give Companies a competitive edge in recruiting skilled employees.

Benefits of work/family policies in practice:

- "Increase of seven per cent in return to work from maternity leave in 2001-02."
- "Individuals on flexible work arrangements have indicated that the flexibility that has been offered to them makes them more loyal to the organisation."
- "Key talent continuity / quicker returns to work."
- "Number of graduate attraction up 180 per cent."
- "Staff satisfaction at 78 per cent positive (up 16 per cent in 18 months)"
- "Part-time arrangements are very effective in terms of lower absenteeism, lower turnover and good customer service."
- "The staff productivity ratio has increased from 3.17 in 1999 to 4.07 in 2002."

³ DR ANNE BARDOEL (2002) "PAID MATERNITY LEAVE – CAN WE BEAR THE PAIN?" MONASH NEWS, VOL.5 NO.5, JULY



case studies

IBM Australia

NATIONAL WORK AND FAMILY GOLD AWARD WINNER 2002⁴

IBM Australia is a leading supplier of business solutions and information technology with years of leadership in helping businesses innovate.

According to IBM Australia CEO, Philip Bullock, work-life balance is not just an issue for women with young children, nor is it solely a family issue. "It is about building trust and encouraging work practices that are sustainable and create an environment where every individual has an opportunity to achieve work-life harmony, regardless of salary or seniority.

Employees are vital to the success of any organisation therefore looking after employees directly contributes to business sustainability."

IBM initiatives include:

- Flexible working arrangements
- Paid maternity leave (six weeks), paternity leave (one week) and adoption leave (one week)
- School holiday program
- Breastfeeding rooms
- Courses for people preparing for or returning from parental leave
- Reimbursement of child care costs brought about by unplanned business travel
- Quality Life Program – offering services to assist in work-life balance
- Floating cultural holiday – allowing employees to trade an official public holiday for a day of cultural significance.

The company says it has been able to reduce attrition rates, attract more quality applicants and increase employee loyalty.

Employees are finding it easier to balance work and personal family commitments. Nearly 50 per cent of employees are choosing to work at home for some part of their regular work week, while there has been a 75 per cent increase in part-time work.

Alcoa World Alumina Australia

Alcoa in Australia employs more than 6500 people and has been mining, refining and smelting in Australia since 1963. It is a major producer of alumina and aluminium in Australia and also has interests in power generation, rolled products and bauxite mining.

Alcoa Managing Director Wayne Osborn says the company believes it makes good business sense to help them balance all their work and family commitments.

In 2001, Alcoa was awarded the National Work and Family Gold Award, recognising the progress it had made in developing a series of work and family initiatives.

Examples of Alcoa's programs include:

- Flexible work arrangements
- Paid maternity leave, paternity leave and adoption leave
- Family/carers leave
- Employee Assistance Program
- Off-the-job family, health and safety programs for employees and their families.

Mr Osborn says the cultural change has had a positive impact on the business's bottom line, while employees had benefited through more flexible working arrangements, the ability to work from home to meet family needs and flexibility to handle emergency situations.

One of Alcoa's Australian businesses was recently awarded the National Work and Family First Step Award for its innovative Taking Care of People program.

This program provides individual assistance to employees in particular times of need. It can provide personal assistance services such as housekeeping or babysitting when a partner is in hospital or travelling overseas on company business, as well as making crew members available to assist with jobs around the home, such as lawn mowing or painting, in times of injury or illness.

⁴ FURTHER CASES STUDIES CAN BE FOUND AT THE NATIONAL WORK FAMILY AWARDS PAGE OF CEOE'S WEB SITE – [HTTP://WWW.CEOE.COM.AU](http://www.ceoe.com.au)

The Banks' Approach

Australia's four largest banks have adopted different approaches to work/family policies, as evidenced below.

ANZ: LIFESTYLE LEAVE

ANZ continues to identify opportunities for employees to maintain life balance and has developed a new policy, Lifestyle Leave. The purpose of the Lifestyle Leave policy is to continue to develop a high performing organisation and a 'Breakout' culture in which people's differences are valued and supported through flexibility and lifestyle choice.

Lifestyle Leave provides employees with the opportunity to take up to four weeks' additional leave, on top of their existing annual leave entitlements, for any purpose including family responsibilities, travel or study. The Lifestyle Leave option is available to all permanent employees of ANZ. Unlike annual leave, Lifestyle Leave is unpaid and employees will have their salary reduced in proportion to the leave taken across 52 weeks. Lifestyle Leave can be spread across the financial year and can be taken in blocks or as one continuous period. ANZ anticipates the Lifestyle Leave option will provide yet another way for its employees to balance their work and life commitments.

ANZ also offers paid parental leave, flexible working conditions and family support services.

COMMONWEALTH BANK: VALUING DIVERSITY

To understand and meet the needs of the Commonwealth Bank's diverse customer base they aim to build a team of dedicated and capable staff which reflects the diversity of the community. Within a policy framework in which all employment related decisions are based on merit, particular attention is being given to:

- Work/life and family balance – initiatives around job sharing (currently involving 581 staff), flexible work arrangements (over 6,500 staff currently work part-time), working from home and career break schemes are especially relevant. The Bank has also been one of the pioneers providing paid maternity leave (up to 12 weeks paid leave since 1973).
- Mature aged contributors – The Bank superannuation scheme allows contributions to align with changed work patterns including part-time employment. An in-depth Survey of staff, particularly aged 45 plus, has helped the Commonwealth Bank better understand the factors which influence decisions about retirement. Initiatives to shift work/life balance in order to retain staff beyond their previously planned retirement are under development.

NATIONAL AUSTRALIA BANK: FLEXIBILITY AND BALANCE

Practices that help the National Australia Bank Group's workforce to balance work and family include formal and informal flexible work arrangements supported by comprehensive educational materials. The National holds job share and part-time forums to encourage and foster job-sharing and part-time work practices. It also supports telecommuting arrangements and special leave. The National's employees can access paid maternity leave (six weeks), a carer's room and parental leave. More broadly, the National offers culturally-sensitive work zones such as Prayer rooms; community involvement including two days' annual community leave for all staff; employee assistance programs; career breaks; and Diversity Days – to promote the benefits of an inclusive diverse workforce.

Senior management has shown a strong dedication to diversity and flexibility, through the Diversity Guiding Coalition. Comprising executive general managers and other senior representatives from across the organisation, one of its key priorities is 'flexibility and balance'. The modelling from the senior levels of the organisation is changing the culture so that it is now not only acceptable to work flexibly and maintain work/life balance, it is encouraged.

WESTPAC: EMPLOYER OF CHOICE

Westpac's work and family initiatives are a keystone of their 'employer of choice' strategy. Policies and benefits include six weeks' paid maternity, paternity and adoption leave; a process of mutual negotiation of work hours for part-time or job-share arrangements; the Better Life and Work information service, which assists staff in locating resources such as home help and health services; and five Westpac-owned childcare facilities in Sydney, Melbourne and Adelaide.

In 2002 Westpac signed an agreement with ABC Learning Group to expand their number of childcare facilities around the country. Employees are also provided with a tax effective option for paying childcare fees out of their salary through the Westpac Childcare Benefit.

These and many other initiatives contribute to Westpac being recognised as an employer of choice for women. They have also raised awareness of the need for flexible work practices across the organisation and increased employee morale and customer loyalty, as well as improving the company's reputation.

Conclusion

The findings of the BCA Work/Family Survey highlight a significant and strategic response by many of Australia's largest Companies to the challenges of work/family balance.

Companies are adopting policies that assist their workers to balance their work and family commitments and they are benefiting from improved retention, morale, productivity and staff loyalty. Those with comprehensive and supportive work/family strategies are finding it easier to attract and retain quality staff. At the same time, it is important to acknowledge that no single Company has all the answers, nor can any one approach suit all Companies or all employees of a given Company.

Because Australia's demographic trends point to slowing labour supply in the years ahead, Companies are likely to become even more focused on the human resources policies that can give them an edge in an increasingly competitive labour market.

The share of women aged 20 to 44 years in employment has risen from 58 per cent to 68 per cent over the past two decades.⁵ Therefore, it is likely there will be more rather than less pressure on Companies to find ways to support their employees with families.

A key learning from the Survey is that while Australia's largest Companies are proactively addressing the work/family balance issue, attitudes and organisational culture can act as barriers for any company looking to implement effective work/family policies and arrangements. Increasing debate and discussion and a clear presentation of the benefits of such policies will contribute significantly to driving beneficial cultural change among employers and in the workplace.

⁵ ABS YEAR BOOK 1983 AND CAT. NO. 3201.0.9 (2003)

Methodology and Survey Findings

This report is based on responses to a Survey distributed to BCA Member Companies in July. The Survey asked Companies for qualitative and quantitative information on their work/family balance strategies and activities. They were also asked about the benefits of these strategies to their organisation and issues encountered in implementing them.



Following is an outline of the aggregated responses of the 68 BCA Companies who responded to the Survey:

WORK/FAMILY BALANCE STRATEGIES/ACTIVITIES OFFERED BY BCA COMPANIES

STRATEGIES/ACTIVITIES	NO OF COMPANIES	%
Paid maternity leave	50	74%
Paid paternity leave	36	53%
Work-based childcare	9	13%
Assistance/information regarding childcare facilities and placement	33	49%
Flexible start/finish times	63	93%
Flexible working hours	63	93%
School-term-only working arrangements	12	18%
Job share	60	88%
Flexi-time	31	46%
Time off in lieu	55	81%
Work from home/teleworking	60	88%
'Keep in touch with work' schemes for parents on leave	38	58%
Family orientated events	49	73%
Family support groups/services	47	69%

SCOPE OF WORK/FAMILY BALANCE STRATEGIES/ACTIVITIES OFFERED BY BCA COMPANIES

	NO OF COMPANIES	%
Member Companies offering 1 or more strategies/activities	68	100%
Member Companies offering 8 or more strategies/activities	57	84%
Member Companies offering 10 or more strategies/activities	41	60%

On average BCA Companies offer 10 strategies or activities.

BENEFITS OF WORK/FAMILY BALANCE STRATEGIES/ACTIVITIES IDENTIFIED BY BCA COMPANIES

While the benefits of work/family strategies and activities are inherently difficult to measure, between 35 and 55 per cent of Companies were able to do so.

MEASUREMENT	NO OF COMPANIES REPORTING IMPROVEMENTS	NO OF COMPANIES PROVIDING A RESPONSE
Staff retention/turnover	37	37
Staff recruitment	23	28
Staff morale	33	35
Staff productivity	21	25

Twenty-six BCA Companies have compared the costs and benefits of their work/family strategies and activities. All 26 found that the benefits exceed the costs.