

# Coalition For Quality Flexible Work

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## Fact Sheet 1 : Is flexible work good for business?

Flexible working hours are good for employees and their families and communities. But research shows there is also a sound business case for flexible working hours.

### 1. Why do we need flexible working hours legislation?

- New Zealanders work on average 1,826 hours a year, compared to the OECD average of 1,778 hours.<sup>1</sup>
- A survey of 600 New Zealanders shows:
  - 29% say their working hours undermine family life
  - 50% work more than 40 hours a week
  - 44% work 41-50 hours a week compared to 27% of Australians.<sup>2</sup>
- 93% of 4,475 parents recently surveyed identified flexible working as the change that they would most like to see in workplaces.<sup>3</sup>
- Our long hours do not increase productivity. Productivity per hour worked in New Zealand is \$26.40 compared to the OECD average of \$34.70.<sup>4</sup>
- Research shows employees want more paid and unpaid leave, flexibility in hours and more say about rosters and shifts and how many hours they work.<sup>5</sup>
- New Zealand has a labour shortage and particularly a skilled labour shortage. Flexible working practices increases the recruitment pool and the return rate of employees on parental leave, and the number of skilled, older New Zealanders.
- Although some employers already offer staff flexible working hours, many do not. The right should be available for all employees, not just for those who happen to work for progressive employers.

### 2. Benefits for business with flexible working practices

Research has shown that businesses with flexible working practices benefit in many ways:

- Increased good will and better staff morale
- A more flexible attitude on the part of employees
- Increased productivity
- Significantly lower staff turnover rates and therefore recruitment costs
- Reductions in staff sickness absences
- Flexible workers out-perform their traditional full-time colleagues<sup>6</sup>
- More than 90% of women return from parental leave<sup>7</sup>
- 90% of surveyed UK employers think flexible work practices are cost effective
- 39% of employers with think their performance outstrips their competitors.<sup>8</sup>

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<sup>1</sup> OECD

<sup>2</sup> Kelly Services Recruitment Agency, 2002.

<sup>3</sup> New Zealand Equal Employment Opportunities Trust, 2005.

<sup>4</sup> OECD

<sup>5</sup> Department of Labour, 2006

<sup>6</sup> UK Equal Employment Opportunities Commission, 2004

<sup>7</sup> UK Equal Employment Opportunities Commission, 2004

<sup>8</sup> UK Equal Employment Opportunities Commission, 2004

### 3. What does the legislation entail?

- Green MP Sue Kedgley's private members bill will enshrine the legal right to request flexible working hours for all employees and impose an obligation on employers to negotiate these requests seriously, and seek to accommodate them in their workplaces.
- The bill recognises that not all employers will be able to provide flexible working hours and provides employers with grounds to turn down a request.

### 4. Proven to work in the UK

- Similar legislation in UK has been an overwhelming success and since it was passed:
  - 8 out of 10 requests for flexible working hours have been granted, and a compromise reached in a further 1 out of 10 requests.<sup>9</sup>
- Despite the fact that prior to the legislation, the burden of additional costs was a main concern for the business community:
  - 76% of UK employers had little difficulty with the new right.
  - 60% of employers did not believe the new rights tipped the balance too far in favour of working parents.
  - 90% reported no significant problems complying with the new requirements.<sup>10</sup>
  - 75% of managers report minimal or no costs involved in introducing family friendly working practices.
  - 66% of managers providing some form of flexible working considered it to be cost effective<sup>11</sup>

### 5. What does Flexible Working Hours mean?

- Flexible working hours can mean flexible start and finish times, working from home, reduced hours, compressed working weeks, term time working and increasing unpaid leave.
- In New Zealand, employers who have introduced flexible working arrangements report that compliance costs are not apparent or are outweighed by the benefits of improved retention, productivity and reduced absenteeism.

*"New Zealand businesses need it - for improved staff engagement, productivity and performance. New Zealand needs this - for our social and economic well-being. Improving our work/life balance makes New Zealand a more attractive place to live; quality flexible work legislation will be our point of difference in attracting skilled workers, new businesses and ethical business investment. All of this leads to an increase in our economic performance. And we all want that."*

**Angela McLeod, New Zealand Federation of Business and Professional Women**

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<sup>9</sup> UK Department of Trade and Industry, 2004.

<sup>10</sup> UK Chartered Institute for Personnel Development, 2003.

<sup>11</sup> UK Department of Trade and Industry, 2003