



Review of Flexible Working Arrangements in New Zealand Workplaces

SURVEY FINDINGS



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EXECUTIVE SUMMARY

This report sets out the results of quantitative and qualitative surveys conducted by the Department of Labour in 2010 to understand the operation of Part 6AA of the Employment Relations Act 2000 within the broader context of workplace flexibility.

Flexible work arrangements are common in many workplaces throughout New Zealand. Overall, 70% of employers report having some or all of their employees working flexibly. The remaining 30% of employers reported that they did not have any employees working flexibly. Larger employers were much more likely to have none or only a small proportion of staff working flexibly and small firms were much more likely to have all staff working flexibly.

Among employers who have some or all of their staff working flexibly, 76.1% reported they incurred no costs. Of those employers who said they incur some costs associated with flexible work arrangements, a majority said that these costs were reasonable.

Among employers who had flexible work arrangements of some form in their workplace 86.9% said that they have a positive impact.

Qualitative interviews provide further insight into why employers utilise flexible working - with business reasons such as improving productivity, staff retention and recruitment and morale emerging.

Employee-driven requests for flexible work arrangements, whether for caring responsibilities or for other reasons, are common. Among employees in their current jobs, 42.8% reported that they have made a request for flexible work arrangements to their employer. A majority of these requests (94.2%) were approved.

Overall, 55.6% of all requests for flexible work arrangements reported by employees in their current jobs related to caring responsibilities. Therefore while a small majority of requests relate to caring, a significant proportion of requests were for other reasons.

Despite the presence of legislation providing eligible employees with a right to request flexible work arrangements for caring responsibilities, a majority of employee-reported requests were accepted by employers without recourse to the formal process provided for under Part 6AA of Employment Relations Act.

Overall, 73.6% of employers and 75.2% of employees said that the legal right to request flexible work arrangements should be available to all employees.

A key theme emerging from qualitative interviews was that extending the right to request flexible work arrangements should occur for reasons of fairness, in recognition that flexibility may be needed for a range of reasons.

The level of awareness of flexible work legislation is relatively low with 27.5% of employers and 19.8% of employees aware of the legislation. Larger businesses

with more employees were significantly more likely to be aware of the existence of the legislation than smaller businesses and employees on incomes over \$40,000 were more likely to be aware of the legislation than employees on lower incomes.

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INTRODUCTION

New Zealanders value having a genuine choice about the way they work to enable a balance between work and other aspects of life such as caring for their families and others, study, leisure and other activities. Many workplaces throughout New Zealand have formal and informal flexible work arrangements that meet the needs of employees and employers.

These surveys have been undertaken by the Department of Labour to understand the operation of Part 6AA of the Employment Relations Act 2000 within the broader context of workplace flexibility.

A benchmark survey conducted by the Department of Labour in 2008 found that a majority of New Zealand employers reported offering flexible work to all or some of their staff. The benchmark survey also found that the most common forms of flexibility available were flexible start and finish times and flexible breaks during the day.

Against this background, since July 2008 Part 6AA of the Employment Relations Act 2000 has provided that eligible employees are entitled to make a written request to their employer for flexible working arrangements if they have responsibility for the care of any person. Flexible working arrangements can relate to the hours of work, days of work or an employee's place of work. Employers have a duty to consider requests as soon as possible but no later than three months after receiving the request. The Act sets out eight grounds on which an employer may refuse an employee's request.

Part 6AA has not changed the widespread practice of employers and employees developing formal and informal flexible work arrangements that suit their particular needs beyond caring responsibilities.

This report looks at employees' requests for flexibility in their *current* jobs. It does not explore wider issues about individuals' job choices to enable greater flexibility such as choosing part-time work or other non-standard forms of employment.

This report sets out the results of the following surveys undertaken by the Department of Labour in 2010:

- A telephone survey of employers (n=1,762)
- A telephone survey of the general public, including workers, (n=1,013). In this sample, 568 individuals were employees.
- An online survey of people with caring responsibilities. This sample was divided into two 'focus' samples. The first group is caregivers (n=2,277) who are the primary caregivers of school age children under 18 years. The second group is carers (n=1,004) who are the primary carers of people who are elderly, disabled or have chronic health issues.
- Qualitative interviews of both employees and employers. (n=30).

A description of these samples is set out in Appendix A.

1. FLEXIBLE WORK PRACTICES AND IMPACTS

Employer reported flexibility and impacts

Employers were asked about the proportion of their staff currently working flexibly.

The term 'flexible' was not qualified in these questions other than explaining it covers patterns of work in the workplace, such as working at different times or days or from different places.

Table 1.1 Employer-reported percentages of staff working flexibly

		Employer Size				Total
		1-5	6-19	20-49	50+	
Proportion of staff working flexibly	None	31.3	29.4	26.2	16.9	29.9
	1% - 20%	4.0	18.1	40.8	49.2	12.4
	21% - 40%	8.6	14.1	10.8	4.6	10.2
	41% - 60%	6.8	9.7	6.2	12.3	7.8
	61% - 80%	5.2	5.8	4.6	9.2	5.5
	81% - 99%	0.2	3.8	1.5	1.5	1.4
	All	43.8	19.2	10.0	6.2	32.8
Number		547	612	408	180	1749

Overall, 70% of employers report having some or all of their employees working flexibly. The remaining 30% of employers reported that they did not have any employees working flexibly.

Larger employers were much more likely to have none or only a small proportion of staff working flexibly and small firms were much more likely to have all staff working flexibly. Two-thirds of large employers and one-third of small employers had less than 20% of staff working flexibly.

By industry

In terms of industry, Manufacturing and Construction were more likely to report that they have no staff working flexibly than other industries (38.0% and 38.3% respectively, against an average of 29.8% across all industries).

Costs to employers

Employers were asked about whether they incur costs associated with using flexible working arrangements. Among employers who reported they had some or all of their staff working flexibly, 76.1% said they incurred no costs.

Employers who said they incurred costs were asked about how reasonable they felt the costs were. Among employers who said they incurred some costs, a majority said the costs were reasonable. The average score was 2.52 (with "1" being very reasonable and "6" being very unreasonable).

Table 1.2: Employers self-assessment of costs incurred from flexible work arrangements

Cost rating	Employers with flexible work arrangements (%)	Employers who cited costs incurred (%)
1 - Very reasonable (low)	4.9	21.8
2	5.7	25.7
3	8.5	38.2
4	2.2	9.6
5	0.6	2.8
6- Very unreasonable (high)	0.4	1.9
Total	22.3%	100%

N=1,749

Impact of flexible working

Employers were asked about the impact of flexibility on their workplace on a scale that ranged from very negative to very positive. Among employers who had flexible work arrangements of some form in their workplace 86.9% said that they have a positive impact (4, 5 or 6 out of 6).

Table 1.3: Employers' perceived impact of flexible work arrangements

Rating	Businesses (%)	Businesses where employees work flexibly (%)
1 - Very negative	0.7	1.1
2	1.4	2.0
3	7.0	10.1
4	11.8	16.8
5	17.9	25.6
6 - Very positive	31.2	44.5

N=1,235

Why do employers utilise flexible working?

Employers were asked during the qualitative phase why they used flexible work arrangements in their workplaces. A key theme was business reasons (such as improving productivity, staff retention and recruitment and morale) and encouraging staff to have a good balance between work and other aspects of their lives.

"...the motivation for me...is to keep staff – that they're valuable, they're skilled and we've invested in them. And they've got specialty skills."

Small employer

"...if more and more employees start saying to you, 'I'm resigning because there is no flexibility,' and you have high labour turnover because people are going to other organisations where they are providing that kind of thing, you're going to have to sit up and take heed."

Medium employer

"I personally have got a belief in being as flexible as I can be. It's trying to keep everyone happy really isn't it? It's about making our workplace part of their life rather than their whole life."

Small employer

What are some of the perceived barriers for employers considering flexible work?

Employers were asked about some of the barriers to implementing flexible work arrangements.

Some discussed the logistical difficulties in having flexible work arrangements, particularly for larger organisations. These barriers emerged in more structured work environments where flexibility was seen as difficult to implement. One example in the manufacturing sector is set out below:

"...it's very difficult in a production environment to – when you, you know, you turn on a machine and it runs for five or six days, it's very difficult to have flexible working arrangements in that situation."

Large Employer

Key points

- Flexible work arrangements are common in many workplaces throughout New Zealand. Overall, 70% of employers report having some or all of their employees working flexibly.
- Among employers who have some or all of their staff working flexibly, 76.1% reported they incurred no costs. Among employers who said they incur some costs associated with flexible work arrangements, a majority said that these costs were reasonable.
- Among employers who had flexible work arrangements of some form in their workplace 86.9% said that they have a positive impact.
- Interviews provide further insight into why employers utilise flexible working - with business reasons such as improving productivity, staff retention and recruitment and morale emerging.

2. REQUESTS FOR FLEXIBLE WORK ARRANGEMENTS

Are employees actively requesting flexible work arrangements?

Requests for flexibility

This section explores employee-driven flexibility, in particular, the extent to which employees are actively seeking flexible work arrangements in their current jobs to meet their particular needs. The surveys did not explore overall job choices and therefore may not capture data on the number of employees who have chosen part-time jobs or other forms of non-standard employment for flexibility reasons (e.g. because of caring responsibilities).

Employees were asked if they have ever requested flexible work arrangements in their current job and whether their employer had agreed to their request. The term "flexibility" for the purpose of this question was defined to include changes to standard patterns of work, for example, working different times or days or working from different places at the employee's request.

Of the 568 employees surveyed about requests for flexible work in their current jobs:

- The total number of requests by employees for flexible work was 248
- 229 were approved by the employer
- 85 were from males and 163 were from females
- 135 requests related to caring responsibilities and 126 were approved by the employer.

Requests for flexible work arrangements are common - with 42.8% of employees reporting that they have made some form of request to their employer in their current job. A majority of these requests (94.2%) were approved.

Overall, 55.6% of all requests for flexible work arrangements reported by employees related to caring responsibilities – meaning that close to half of requests were for other reasons.

Influence of the legislation

Among the 248 requests for flexible work among employees in their current jobs, two requests made a direct reference to Part 6AA of the Employment Relations Act. The low number of requests that directly referred to the legislation may be due, in part, to the low level of awareness of the legislation among employees, and/or that employees are seeking flexible work without recourse to the legislation. Awareness levels are reported on in section 4.

Despite the low number of requests that directly referred to the legislation, the value of the legislation emerged as a theme in qualitative interviews with employers and employees. Some referred to how it facilitated dialogue about flexible work:

"I think that the important thing for me is that it's creating dialogue. It's creating a level of consciousness about these issues in society. And I think that's the aim of legislation."

Large employer

"... I think it is necessary. For those organisations that won't entertain it for – just because it's too hard, then you do need that legislation. "

Large employer

"Actually just having it there and having, you know, just starting those things – starting that open dialogue with people."

Employee

General views about flexible work

Employees interviewed during the qualitative phase were asked about the impact of flexible work on their lives. Themes emerging included the ability to address other non-work related responsibilities, such as caring for children, and facilitating greater participation in the labour market:

"...it's given us that flexibility to allow us to, of me to be at home and care for him (child) as well as working. But if it wasn't there, I'd probably just not be working."

Employee and mother

"Well if it was a choice, I had to seriously weigh up whether I was actually going back to work. Because, if flexi work hadn't been there, it wasn't an option."

Employee and mother

"I've got a grandson that I'd like to help with looking after and I can sort of work my hours around him a bit."

Employee and grandparent

Others without caring responsibilities spoke about the benefits of being able to work flexibly. One participant was diagnosed with a life threatening illness and required extensive treatment and rehabilitation. They spoke of the benefits of being able to change the way they worked:

It took a lot of stress out of my life, because I was worried about how, how you know it would pan out. And if I had to have given up work, how I would have managed being here by myself, on possibly a sickness benefit.

Employee

Key points

- Employee-driven requests for flexible work arrangements, whether for caring responsibilities or for other reasons, are common. Among employees in their current jobs, 42.8% reported that they have made a request for flexible work arrangements to their employer. A majority of these requests (94.2%) were approved.

- Overall, 55.6% of all requests for flexible work arrangements reported by employees in their current jobs related to caring responsibilities. Therefore, while a majority of requests relate to caring, a significant proportion of requests were for other reasons.
- Despite the presence of legislation providing eligible employees with a right to request flexible work arrangements for caring responsibilities, a majority of employee-reported requests that were accepted by employers took place without recourse to the formal process provided for under Part 6AA of Employment Relations Act.
- Employees interviewed about the impact of flexible work on their lives frequently referred to the ability to address other responsibilities, such as caring for children while participating in paid employment.

3. SCOPE OF THE LEGISLATION

Who should have the legal right to request flexible work arrangements?

The existing legal entitlement to make a request for flexible work arrangements under Part 6AA of the Employment Relations Act applies to employees who have the care of any person and have worked for the same employer for at least six months. Part 6AA does not prevent employers and employees from negotiating flexible work arrangements outside the scope of this section (e.g. for reasons unrelated to caring responsibilities), provided they comply with the general provisions of the Employment Relations Act 2000.

This section explores the scope of Part 6AA and who people think it should apply to.

Employers

Employers were asked who they thought should have the legal right to request flexible working arrangements under the Act. Most employers (73.6%) said that the legal right to request flexible work arrangements should be available to all employees.

Table 3.1: Employers views on who should have the legal right to request flexible work arrangements

Response	Percentage
All employees	73.6
Caring responsibilities (incl. children)	5.7
Other responsibilities	2.6
Employees with children	2.5
Nobody	5.4
Don't know	5.9
Other	4.2
Total	100

N=1,762

Public

Among the public sample (comprising employees and people not currently working), 75.2% said all employees should have the legal right to request flexible work arrangements.

Table 3.2: Who should have the legal right to request flexible work arrangements? (Public)

Response	Percentage
All employees	75.2
Employees with children	4.4
Caring responsibilities (incl. children)	10.8
Health issues	2.2
Sporting or community responsibilities	0.6
Nobody	2.3
Other	0.9
Don't know	3.7
Total	100.0

N=1,013

Carers and caregivers

Table 3.3 sets out responses from caregivers and carers in the online survey. Results are indicative only as the sample is not representative of the carers and caregivers populations in New Zealand.

A slightly larger proportion of caregivers and carers, compared to employers and employees, thought that the legal right to request flexible work arrangements should only be available for caring responsibilities. Nevertheless, most carers and caregivers thought that it should be available to all employees.

Table 3.3: Who should have the legal right to request flexible work arrangements? (Caregivers and Carers)

Response	Carers	Caregivers
All employees	66.3 %	70.7 %
Employees with children	0.9 %	3.3 %
Caring responsibilities (incl. children)	25.0 %	21.5 %
Employees with health issues	2.6 %	0.4 %
Sporting or community responsibilities	0.1 %	0.1 %
Don't know	5.1 %	4.0 %
Total	100 %	100 %

Carers: N=1,004. Caregivers: N=2,277.

Qualitative interviews

Employers

Qualitative interviews with employers provided further insight into some of the reasons why a number of employers said that the right to request flexible work arrangements should be extended to all employees, beyond those with caring

responsibilities. Reasons relating to fairness to all employees and the positive staff benefits from being flexible were two key themes emerging.

I talk generally to my clients about it all the time. And that's not just because they have, you know, children or elderly responsibilities or – this is just because this is work life balance.

Recruitment consultant

"...within, within my service, I think there are people that have reduced their hours for a variety of reasons that's positive. Supporting people to do PhDs, I think that's positive."

Manager, 20+ staff

"I would open it out. I mean if people can travel outside the main peak travelling times too..."

Employer, 3 staff.

Employees

As noted earlier, most employees in the quantitative phase said that a right to request flexible work arrangements should be available to all employees. Qualitative interviews with employees provided some further insight into employees' views. A common theme emerging was fairness to all employees:

"I guess it applies to a lot of people, that they need that flexibility sometimes in their working life, for any number of reasons."

Employee

Some identified a link with greater participation in the labour force, for example:

"I think it would open up a lot more jobs for people."

Employee

"...if women didn't have flexibility, and were discouraged from working, that would be losing a huge part of the potential workforce."

Employee

Key points

- Overall, 73.6% of employers and 75.2% of employees said that the legal right to request flexible work arrangements should be available to all employees.
- A key theme from the qualitative interviews was that extending the right to request flexible work arrangements should occur for reasons of fairness, in recognition that flexibility may be needed for a range of reasons.

4. AWARENESS OF THE LEGISLATION

General Awareness

This section explores the level of awareness of the provisions under Part 6AA of the Employment Relations Act. The level of awareness among employees has implications for the direct use of these provisions under the Act.

Employers

Overall, 27.5% of employers were aware of legislation relating to flexible work arrangements.

Larger employers were significantly more likely to be aware of the legislation than smaller employers.

Table 4.1 - Employer awareness by size (number of employees)

Employer Awareness	Number of employees			
	1-5	6-19	20-49	50+
Aware	19.7%	34.8%	46.9%	57.4%
Not aware	80.3%	65.2%	53.1%	42.6%

Awareness of the legislation differs significantly by industry, with employers in "Public Administration and Safety" and "Arts and Recreation" (44.1% and 89% respectively) significantly more aware than other industries combined.

Employers who were aware of the legislation were asked where they found out about it. The top three sources of information were; mass media (34.9%), a professional body or trade association (33.3%) and the Department of Labour (26.1%).

Employees

The level of awareness of the legislation among employees was lower than that of employers at 19.8%.

Employees with incomes over \$40,000 were significantly more likely than employees on lower incomes to be aware of the legislation (22.7% and 14.7% respectively).

Table 4.2 - Awareness of legislation by income level (employees)

Employee awareness	Income level	
	Under \$40,000	Over \$40,000
Aware	14.7%	22.7%
Not aware	85.3%	77.3%

Income under \$44,000: N=218. Income over \$40,000: N=331.

Carers and caregivers

Awareness of the legislation among the carers and caregivers samples also shows similar results to the public sample. Among these samples, individuals on incomes over \$40,000 are much more likely to be aware of the legislation.

Key points

- The level of awareness of flexible work legislation (Part 6AA of the Employment Relations Act) is relatively low with 27.5% of employers and 19.8% of employees aware of the legislation.
- Larger employers were significantly more likely to be aware of the existence of the legislation than smaller businesses.
- Employees on incomes over \$40,000 were more likely to be aware of the legislation than employees on lower incomes.

APPENDIX A: SAMPLES USED IN QUANTITATIVE SURVEYS AND QUALITATIVE INTERVIEWS

Surveys are subject to various sources of error which means there is potential for bias in the results. The survey of employees had a low response rate and the survey of employers had poor coverage of some industries and hence will not be representative of all employers in New Zealand.

The quantitative phase consisted of three activities:

- A telephone survey of employers (n=1,762) designed to be representative of employing entities in New Zealand. The sample was weighted using demographic information from Statistics New Zealand.
- A telephone survey of the general public (including workers, N= 1,013) Designed to be representative of the NZ population, including workers. The sample was weighted to ensure its representativeness. 568 individuals in this sample were employees and specific analyses are presented focusing on this sub-group only.
- An online survey targeting people with caring responsibilities. While this survey is not necessarily representative, it does provide useful within sample analysis. Eg: whether one sub- group of the sample is more likely to be aware of legislation than the other. This sample was divided into two 'focus' samples:
 - a) Caregivers (N=2,277) – Those who are the primary caregiver to persons of, or under, school age (under 18 years).
 - b) Carers (N=1,004) People who are the main carers for people who are elderly, disabled or have chronic health issues.

These results rely on how respondents interpret the concept of “flexible work arrangements” and not all survey participants will interpret the concept consistently. This is despite all participants being provided with a definition prior to data collection.

All differences that are reported are statistically significant at the 5% level, unless otherwise stated.

Employer survey

The employers' survey took place from 1 July 2010 to 6 August 2010. All participants were randomly selected through a stratified sampling procedure from the Martins Business Database. The sample was stratified by business size.

The agriculture, horticulture and fisheries sector were significantly under-represented and excluded from the analysis. Some other industries were poorly covered and hence the survey results will not be representative of all employers in New Zealand.

The survey had a total number of 1766 participants and an overall response rate of 49%.

A weighting procedure was applied to the data. Participants were weighted based on size and industry, so that the survey results would better reflect the profile of NZ businesses.

All responses from employers refer to site, rather than the whole organisation.

Public Survey

The Public survey took place from 9 August 2010 to 8 September 2010.

All participants were randomly selected using telephone directories. While the survey findings are designed to reflect the New Zealand population, telephone sampling excludes people who do not have a directory listing.

Participants were screened so as to only interview individuals aged 16 years and over, and a limit of 10% was applied to people over 65 years of age.

The survey had a total of 1052 participants and an overall response rate of 23%.

A weighting procedure was applied to the data. Participants were weighted based on ethnicity and sex, so that the survey results would better reflect the profile of NZ population.

Focus survey

An online survey was undertaken targeting individuals who are most likely to seek flexible work arrangements under Part 6AA of the Employment Relations Act (caregivers of children under 18 years of age and carers of the elderly, disabled people and people with illnesses). Participants were recruited using a range of methods including a large community database (of approximately 40,000 carers), links sent to schools, and early childhood organisations (e.g. kindergarten associations and playcentres).

Over 4,000 responses were received. Two focus samples were constructed:

- Caregivers (N=2,277) – Those who are the primary caregiver of children under 18 years of age.
- Carers (N=1,004) who are the primary caregiver for people who are elderly, disabled or have chronic health issues.

The samples are not mutually exclusive and therefore, one set of responses may appear in both samples (e.g. a person caring for children and an elderly person).

These samples are not representative of the carers or caregiving population and therefore results should be treated as indicative only.

Qualitative Interviews

Thirty qualitative interviews (15 employers and 15 employees) were undertaken to supplement the survey results. All participants in the quantitative phase were asked whether they would participate in a qualitative interview and a pool of potential candidates from both the employer and public survey was identified based on their responses to survey items.

We used a deliberate sampling technique to narrow down the field of volunteers using the answers from the survey across the following criteria.

- Awareness of the legislation
- Impact of the legislation
- Location
- Costs incurred (employers only)

Interviews took place in Auckland, Christchurch and Wellington in August and September 2010.



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