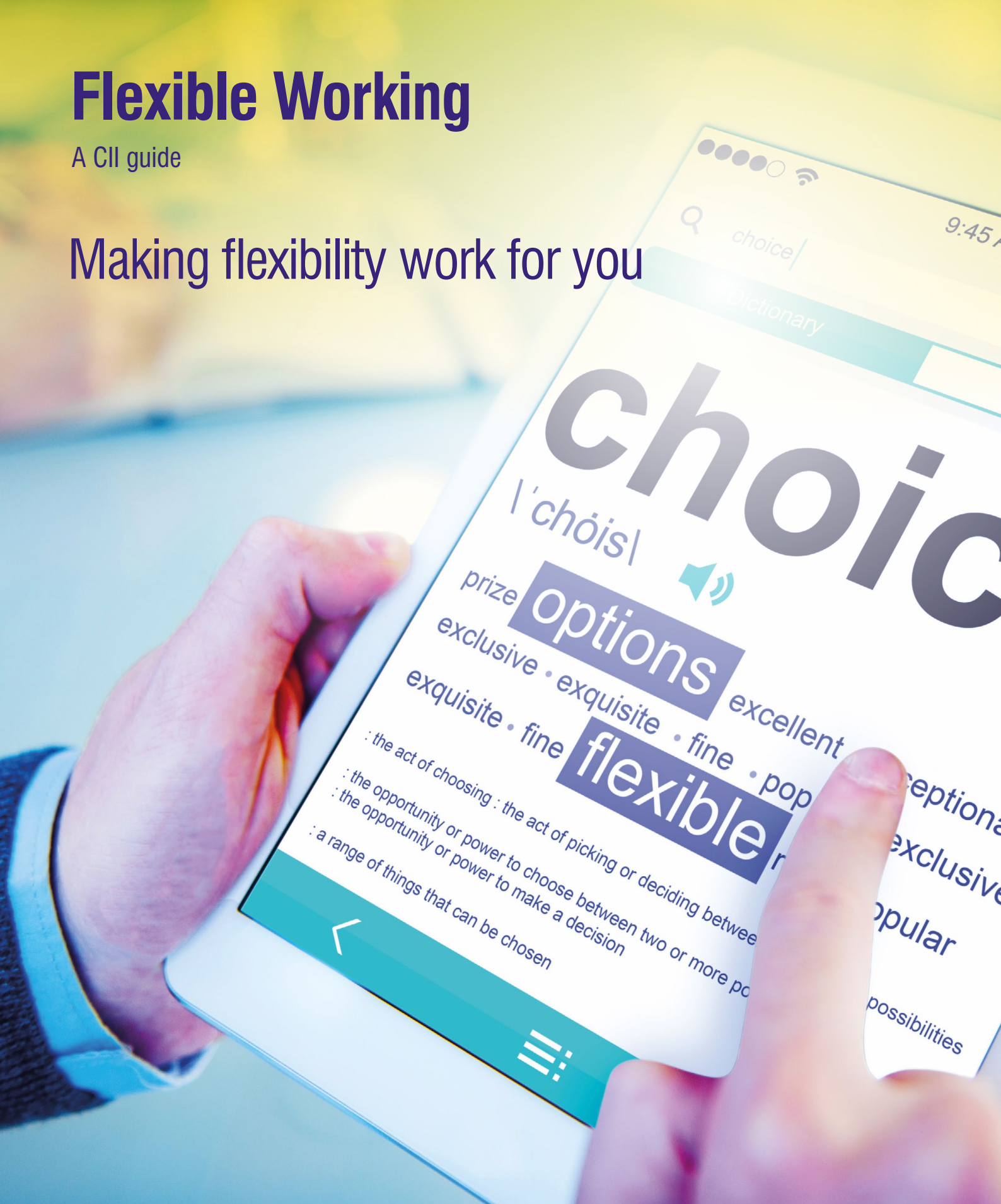


Flexible Working

A CII guide

Making flexibility work for you



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Email: daniel.pedley@cii.co.uk

2 Foreword



The way we work is changing. Attitudes and expectations, legislation and technology are helping to consign to history the view of the traditional set working day. Though not a new concept, flexible working is leading this shift in working culture.

Flexible working provides employers and employees the opportunity to find a working pattern that suits both parties. Practices vary across firms and there are numerous options to be explored. Solutions can range from part time working, to remote working, to compressed hours, through to staged retirement. There is not a 'one size fits all' solution, and it is up to you as an employer to decide which approach best meets the needs of your business and your people.

Embracing flexibility, where possible, can bring tangible benefits to a business. It can help a firm work more efficiently, improve productivity and aid the attraction and retention of talent. There is also the benefit of diversifying the workforce. The value of flexibility is potentially huge – not only to firms but to the UK as a whole. The Centre for Economic and Business Research has suggested the UK economy would see an output boost of £90bn, if the demand for flexibility was properly met by employers.

Unfortunately perceptions remain in some quarters that flexible working is something reserved for women with children. This view is outdated and risks putting a business at a disadvantage against those who understand otherwise. Men are just as likely as women to have worked flexibly, and people choose to request flexibility for a host of reasons. The continuing rise in popularity of flexible working and promotion of its benefits will challenge the myths and misconceptions that still exist.

Recent legislation has given all employees the right to request flexible working arrangements – but employers need to think wider than the legal requirements. There are numerous benefits available to those who adopt a sensible and viable approach. Firms should consider its introduction as part of its wider business strategy and an exploration of new ways of working. This guide, one of a series produced by the CII to help thinking across the insurance sector, is here to help with those first tentative steps.

Flexible working is far from a new phenomenon, though its profile and importance is on the rise. For decades many employers have provided part time or job share opportunities, though very much set in the traditional '9 to 5' way of working. This has changed significantly over recent years as more flexible working options have emerged.

New legal frameworks, attitudinal change and, above all, technological advancements have contributed to the rise in flexible working across our economy. The vast majority of employers offer some form of flexible arrangements (A survey by the Chartered Institute of Personnel and Development found that only 4% of firms questioned did not offer any type of flexibility). The benefits of a flexible approach to work are well documented and apply to employers, employees and UK plc as a whole.

All employees with 26 weeks of consecutive service are now able to request flexible working. The array of flexible working options can at first appear daunting if you are an employer, as can considering whether you have the capacity to offer flexibility, developing a policy and dealing with requests from employees. This short guide has been developed to help employers understand what flexible working means, the legal framework behind it and the benefits it can bring, as well as tips on developing your own flexible working policy.

All firms are different and what works for one company might not be appropriate for another, therefore this guide provides a high level introduction to the subject and provides a number of options and approaches to consider.

Note: This guide applies to UK professionals and firms only, in terms of legal and regulatory requirements. However, international members may wish to draw on this guide for best practice.

Key points

- Flexible working can benefit a business in a whole host of ways from increasing productivity to improving talent retention.
- It can help promote employee motivation and well being.
- Flexible working helps promote equality and diversity within the workforce.
- There is no one size fits all solution – only you as an employer can decide what will work for you and your employees.

4 What is flexible working?

Flexible working is, at its most basic, an arrangement whereby there is flexibility in how long, when or where an employee works. Employees now have the right to request flexible working, but these arrangements should not simply be thought of in terms of legal requirements. They can be a powerful tool in helping improve business performance.

£90bn the boost to UK economy if employers fully embrace flexible working.*

13.9% of the UK workforce now work from home. That's 4.2 million people.*

*Source: Office of National Statistics

The following list provides examples of flexible arrangements that employers and employees might consider when exploring flexible working possibilities.

Job share:

Two people cover one job, splitting the hours.

Part time:

Working less than full-time hours.

Compressed hours:

Working full-time hours but over fewer days.

Flexitime:

The employee chooses when to start and end work (within agreed limits) but works certain 'core hours'.

Annualised hours:

The employee has to work a certain number of hours over the year but they have some flexibility about when they work.

Staggered hours:

Employees have different start, finish and break times.

Phased retirement:

Older workers are now able to choose when they want to retire. Some might choose to reduce their hours ahead of retirement. This could provide the employer with an improved opportunity to capture the employee's knowledge and expertise ahead of retirement.

Term time working:

Enables employees to work around school terms and holidays.

Career breaks:

Unpaid breaks could be used by people to pursue professional or personal development.

Working from home:

It might be possible to do some or all of a job from home.

Mobile working:

Technological advances mean that people are able to work when travelling, in public spaces or other office or business locations.

In 2014 UK law changed giving all employees, with at least 26 weeks of continuous employment, the right to request flexible working¹. Previously this had been reserved for those with parental or caring responsibilities.

The process formally begins when an employee makes an application in writing to their employer. However, in most cases the letter will follow on from an initial discussion between employee and employer. Employees can make one request per year.

Employers are required to consider requests for flexible working in a “reasonable manner”. A statutory code of practice exists to help employers understand what exactly this means². In considering any request the employer will need to assess the advantages and disadvantages of the request for both the individual and business.

If a request is granted, then the terms and conditions of the employee’s contract will need to be amended. This should be done within 28 days of the approval of the request.

Employers can reject an application having considered the employee’s request. However, the decision must be for one of the eight reasons set out in the legislation. They are:

- The burden of additional costs
- An inability to reorganise work amongst existing employees
- An inability to recruit additional people
- A detrimental impact on quality
- A detrimental impact on performance
- Detrimental effect on ability to meet customer demand
- Insufficient work for the periods the employee proposes to work
- A planned structural change to your business.

The law also stipulates a timeframe within which this process has to happen. All requests must be considered and a decision made, within three months of the request being put forward – unless agreed otherwise with the employee beforehand. This three month period also needs to include any appeals.

Employees do not have a statutory right to an appeal; however it is good practice to offer one in order to discuss the reasons behind a decision. Doing so could be seen as a demonstration of dealing with such requests in a “reasonable manner”. If the employee feels that the employer has not handled the request reasonably they could have grounds for a complaint to an employment tribunal. They can also make such a complaint if they believe the application has been rejected on the basis incorrect information or if they feel their request has led to them being treated poorly or dismissed.



¹ The Flexible Working Regulations 2014, which deal with eligibility to make a request under the Employment Rights Act 1996. <http://www.legislation.gov.uk/uksi/2014/1398/contents/made>

² <http://www.acas.org.uk/media/pdf/f/e/Code-of-Practice-on-handling-in-a-reasonable-manner-requests-to-work-flexibly.pdf>

6 Benefits

Employers should not view flexible working just in terms of legal requirements. Adopting a flexible approach to working can have a positive impact across the performance of an organisation.

There is a strong link between implementing flexible working practices, employee engagement and productivity. Employers who have made flexible working part of their company's culture report tangible benefits that include reduced sickness absence, improved retention rates and savings on recruitment costs.

As part of a talent management strategy flexible working plays its part. It can aid recruitment, through the development of a reputation as a good employer, and retention, preventing talent drain and saving recruitment costs.

Findings by the Chartered Institute of Personnel and Development (CIPD) back these points up – 76% of firms said that flexible working practices had a positive impact on talent retention and 73% believed it had improved employee motivation. Similar research by the Institute of Leadership & Management (ILM) found that 85% of managers thought it increased wellbeing, and 67% said it cut sickness absence.

Collectively these benefits can help to improve a firm's productivity. The CIPD survey found that 58% of employers believe productivity had improved due to the introduction of flexibility and research by Working Families estimates a minimum productivity improvement of 5% for firms who utilise flexible working. This goes to show that a happy workforce really is a more productive one.

In addition there is a close correlation between flexible working and the promotion of equal opportunities. Inflexible work practices can put people at a disadvantage, in particular those with parental or caring responsibilities, disabled employees and those with religious beliefs. Offering alternative arrangements can therefore widen the pool of people an employer draws from when recruiting. Over half of employers say that offering flexible working arrangements has improved the diversity of their workforce. CEBR's research shows that 68% of those currently unemployed or economically inactive (e.g. retired, full time housewife/husband, carers) would be encouraged to start work again if able to work flexibly.

Things to consider

There are potential barriers to offering flexible working, though these can be overcome. The ILM's research found almost half of managers (48%) said that flexible working could be an issue for teams and that 41% thought it could lead to problems when dealing with clients. There is also the worry about isolation of those working at home. All of these worries can (in most cases) be managed and should not serve as a block on introducing flexible arrangements. For example team meetings and video conferencing can serve as support to those working at home.

There are other issues that have to be considered, especially when dealing with homeworking. Employers have a duty of care to those working at home and so should undertake a risk assessment. ACAS has produced a guide to homeworking for employers³. Employees could be working with sensitive data and so the correct precautions need to be implemented to ensure data security.

85% of managers believe flexible working improves well being

Flexible working gives a productivity boost of at least **5%**

76% of employers think flexible working helps talent retention

³ ACAS guide <http://www.acas.org.uk/media/pdf/o/3/Homeworking-a-guide-for-employers-and-employees.pdf>

Could you improve performance by embracing flexible working? Do not be afraid to ask the question. Look at how work is currently carried out and consider whether flexibility could improve service to customers.

The success of flexible working depends upon a number of factors and, as mentioned earlier in this guide, there is no one-size-fits-all solution. However, there are several principles and best practice approaches that should be considered when looking to create a culture that understands and embraces flexible working.

Making the decision to develop a flexible working policy is a good place to begin. Doing so demonstrates an employer's commitment to providing flexible working arrangements, and helps to foster a culture where all employees are treated fairly (whether working flexibly or not). You do not necessarily have to have an immediate need to develop a policy. Greater flexibility brings benefits and can be part of a general business improvement process.

In making flexibility work for you there are a number of points to consider:

Basic principles

- Flexibility can work for all staff – do not make assumptions about who might want flexible working arrangements. Do work on the assumption that any role can be done flexibly (as long as it is possible to do so and does not have a detrimental impact on the business). Technology has made flexible working more viable than ever before.
- Flexible working does not work without trust. Employers need to allow employees to take responsibility for workloads and outcomes. Clear targets and regular catch ups will help maintain mutual trust.
- Flexibility is required on the part of both employer and employee. It might be that one or both sides need to alter their initial proposals to ensure an arrangement is viable.
- Working flexibly should not penalise someone's career development.

Designing a policy

- Consider including staff in the design of any new flexible working policy.
- If you do not already do so, consider judging performance in terms of measurable results and productivity, rather than how long someone is in the office. Remember presence does not equal performance.
- Pilot a new programme to find out what works and what does not, before rolling out fully.
- Consider applications on a case by case basis. What works for one team might not work for another.
- Recruitment policies should encourage flexible working. When creating a new job role, take into account flexible working possibilities.
- A flexible working network or group of 'champions' could help in embedding flexible working within a firm. This could help support those with flexible arrangements, in particular home workers.

Monitor and review

- Regularly review, and where necessary, amend policies to ensure they remain functional and relevant.
- Monitor success via a number of means. This could include employee satisfaction surveys, staff turnover, maternity return rates and sickness levels.

Communicate

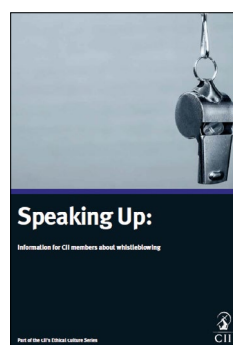
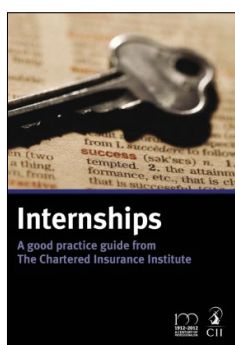
- Communicate any new policy so that all employees are aware of it.
- Promote good practice, positive stories and improved performance internally to encourage others. Think about going further and promote externally – it could help with recruitment.

8 Useful links



Other CII guides

As the leading professional body for insurance and financial services, the CII is committed to promoting best practice and supporting our members in their day to day work. A key element of this work is the production of employer guides. These range from understanding the case for equality and diversity, dealing with whistleblowing, building an ethical culture, through to taking on an apprentice. Copies of all our guides are available on the CII website: www.cii.co.uk



GOV.UK

<https://www.gov.uk/flexible-working/overview>

ACAS

<http://www.acas.org.uk/flexibleworking>

CIPD

<http://www.cipd.co.uk/hr-topics/flexible-working.aspx>

Flexibility.co.uk

<http://www.flexibility.co.uk/SmartWorkHandbook/index.asp>

Working families

<http://www.workingfamilies.org.uk/>

The Chartered Insurance Institute
42–48 High Road, South Woodford,
London E18 2JP

tel: +44 (0)20 8989 8464

fax: +44 (0)20 8530 3052

customer.serv@cii.co.uk

www.cii.co.uk

 Chartered Insurance Institute

 @CIIGroup

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