



# Flexi-working



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Flexible working, often referred to as flexi-working, is relatively new to New Zealand but it is a concept that has been successfully used around the world for the past 30 years.

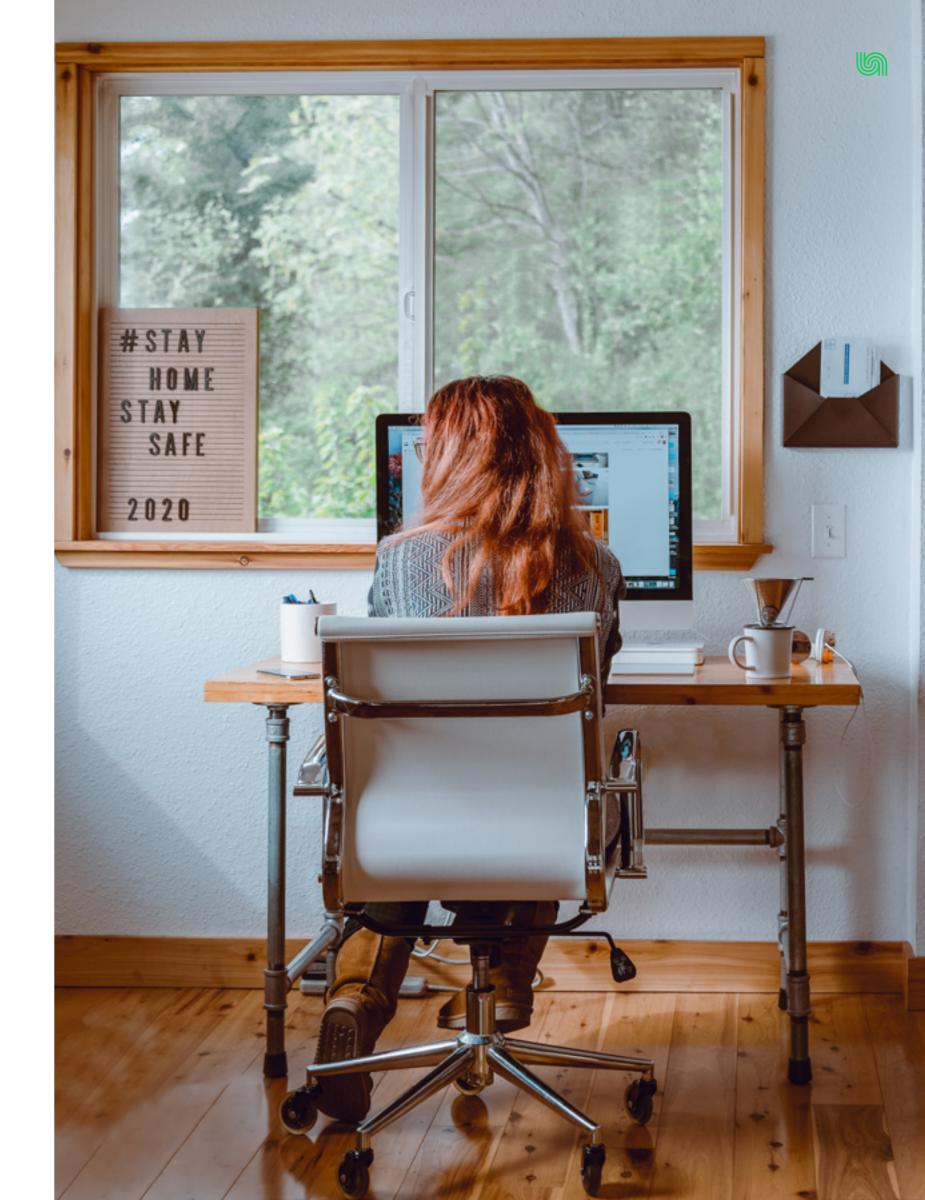
Flexi-working is a catch-all term for a wide variety of tools that empower employees to choose their own schedule, such as working remotely, working different hours or days, or working compressed weeks.

This way of working, particularly working remotely, is now familiar to many Kiwis as a result of the Covid-19 lockdowns in 2020 which saw many businesses close their doors and staff working from home. In response many businesses are making flexi-working a permanent option.

As has been shown overseas, both employers and employees in New Zealand report that flexi-working generally produces positive outcomes.

This resource sheet will help you:

- Determine if flexi-working is a good option at your business.
- Learn about the benefits of flexiworking that came out of the Covid-19 lockdown.
- Put flexi-working into practice.
- Find out about businesses that have implemented flexi-working.



### **Learnings from the Covid-19** lockdown

While the Covid-19 lockdown in New Zealand created social and economic hardship, it showed we can adapt quickly. It also allowed us to glimpse the benefits of a low carbon future. Flexi-working was central to both.

Two studies following the lockdown provided insights into how Kiwis responded to the sudden changes in routine and working from home.

For many it was a new experience. A survey by The University of Otago of 2,595 New Zealanders revealed that two-thirds of respondents had never, or only occasionally, worked from home prior to the lockdown. As a result of the experience two-thirds said they wanted to continue working from home either full time, or for several days a week.

An AUT survey revealed a similar finding. From a sample of 1125 people, 60% said they would like to work from home for one or more days a week. The other 40% said they weren't interested in flexiworking. The survey author says it's

likely many in that group found it difficult to do their jobs well when based at home.

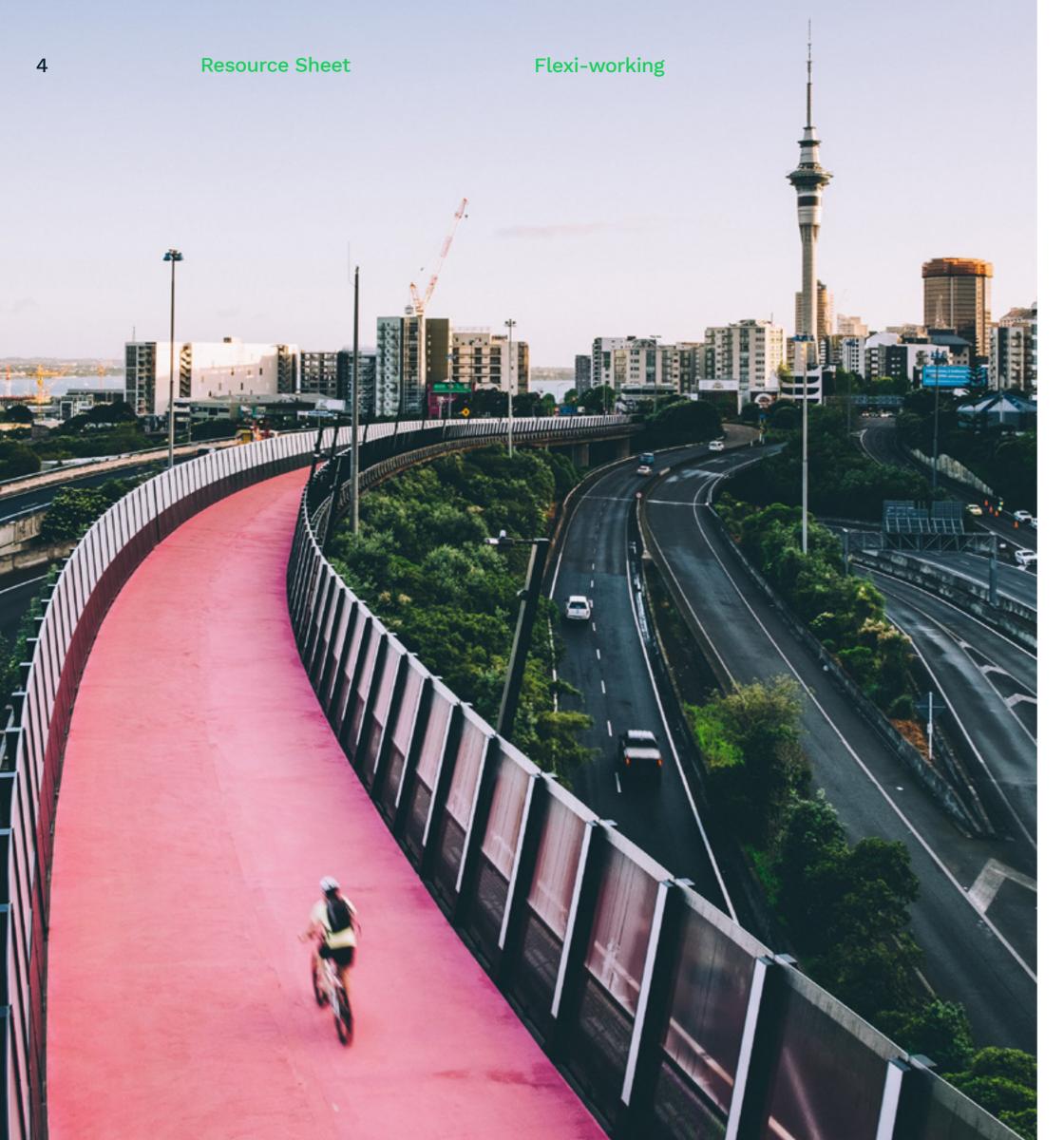
For everyone the key challenges were around collaboration and communication and staying motivated. Some reported they had trouble switching off from work.

In general both surveys found that people thought they had worked effectively from home and that there had been little, or no, impact on productivity. Many liked having flexibility around when they worked their hours.

Those that had good organisational support for working from home reported they were generally happier, had better job satisfaction, an improved work-life balance and less mental health issues and job stress.

Respondents liked the savings in time and money they made by avoiding their normal commute.







Less traffic was also good for reducing air and water pollution levels and our carbon emissions. NIWA reports air pollution in our main centres plummeted by up to 76% during the five weeks of level 4 restrictions. SBN <u>estimated a similar drop</u> in carbon emissions from the transport sector over the same period.

If enough New Zealanders continued to work from home on a regular basis, the country could save the same amount of carbon emissions as taking 35,000 cars off the road, according to Te Tari Tiaki Pūngao, the Energy Efficiency and Conservation Authority (EECA).

Water pollution from road vehicles would have also dropped significantly during lockdown. That pollution comes from brake pads and tyres as they degrade and release toxic heavy metals, including copper and zinc, which flow into our waterways and the ocean.

With most shops closed, and a large part of the population staying at home, plastic pollution would have also been reduced during the lockdown.





### Flexi-working options

Nowadays there is a wide spectrum for how we work. It ranges from a full-time workplace-based organisation with relatively set hours for all employees, to an organisation which has no central workplace, and empowers employees to choose their own schedule.

For many employers, especially following the Covid-19 experience, there is likely to be a flexi-working hybrid model, with employees choosing to combine working days in the office with working days at home.

Another important option for flexiworking is the use of shared workspace facilities. These types of facilities can be an alternative to a dedicated workplace, or supplement a central site e.g. as a satellite office where employees living locally can work for some or all of the week. Flexi-working has some limitations – it isn't right for all organisations or all employees. Typically it works well for office-based roles, where there are 'knowledge workers' like architects, accountants, lawyers and scientists.

For obvious reasons it is less suited where direct contact is needed with other people as in retail, specialised equipment like manufacturing, or site e.g. agriculture workers.

Flexi-working is mainly a 'white collar' opportunity which creates equity issues. Many roles (typically lower paid) do not have the potential for flexi-working.

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# What do I do next?

Flexi-working offers a range of options. Whether you're an employer or an employee you need to establish what you want to achieve. Flexi-working will be successful if it is implemented well and for the right reasons. To help you we've prepared this chart of pros, cons and risks.

	Pros	Cons	Issues / Risks
Employer	<ul> <li>Improved productivity (if done right).</li> <li>Reduced need for office space (if done right).</li> <li>May support Corporate Social Responsibility goals (e.g. less commuting, employer wellbeing).</li> <li>Helps to recruit and retain talent (replacing an employee typically costs the equivalent of 6-9 months of average salary).</li> </ul>	<ul> <li>Reduced productivity (if done wrong).</li> <li>Under or over-utilised office space (if done wrong).</li> </ul>	<ul> <li>Making the hybrid arrangement work (e.g. when some work from home and others in the office).</li> </ul>
Employee	<ul> <li>Flexibility with home life responsibilities (especially child-care).</li> <li>Saving on commuting time and cost.</li> <li>Easy to set-up online meetings (see Cons).</li> <li>(When available) quiet home conditions can enable task efficiency (e.g. writing reports).</li> <li>Potentially live further away from the work site (more affordable housing) if commute time is reduced.</li> </ul>	<ul> <li>(Further) blurs the boundary between work and non-work time – more difficult to 'switch off' and/or more difficult to concentrate (more distractions).</li> <li>May not be suitable space or equipment for work – e.g. potentially poor ergonomics leading to physical problems.</li> <li>Potential equity issues – some people may not have the facilities at home.</li> <li>Less direct connection with colleagues and acquaintances.</li> <li>Too easy to set-up online meetings – 'Zoom fatigue' (see Pros).</li> <li>May lose some of the physical activity associated with office life (e.g. walking to the bus or train).</li> </ul>	<ul> <li>Uncertain health and safety responsibilities.</li> <li>Use of monitoring software by employers to check on activity at home.</li> </ul>
Community	<ul> <li>Fewer vehicles at peak times = less congestion.</li> <li>May enable staff to commit to community activities (e.g. supporting extra-curricular school sports).</li> <li>Potentially more activity in local centres (e.g. visiting local café).</li> <li>Less demand for commercial office space may free up buildings for housing.</li> <li>Less vehicle use equals lower carbon emissions.</li> </ul>	<ul> <li>Fewer people working in our urban centres, so less economic activity in them (e.g. supporting cafes and bars).</li> <li>More energy use (potentially) in buildings if same office</li> </ul>	
Environment	<ul> <li>May complement a shift to sustainable mobility (e.g. e-bikes).</li> </ul>	energy use but additional home energy use.	







### As an employer how can I make it work?

To get the best out of flexible work, employers and workers should work together to find the right solutions and the most effective way of implementing them. A successful flexible work programme may require a shift in culture.

Employment New Zealand recommends a number of steps employers should take when putting flexibility into practice. Here's a summary.

### Step 1: Plan ahead

 Talk to your workers about whether flexibility could improve their productivity and engagement, and support their work/life balance needs.

### **Step 2: Making the request**

- Applications for flexibility should be started by the employee. As an employer, you are required to respond to a flexible work application in writing within one month.
- Treat every request as individual even if flexibility hasn't worked in your team before.

#### Step 3: Find the solution

• If required, have a team-based discussion to give flexible work the best chance of working.

- Agree on the specific details of the arrangement (e.g. hours of work, physical location, communication processes, delegating responsibilities).
- Consider if additional technology is required.
- Where possible put a trial period in place with a set date to review the arrangement for suitability.

### **Step 4: Manage expectations and outcomes**

- Ensure that you consider all options before accepting or declining an application.
- If an application is declined, ensure that you communicate the reasons clearly to your employee and encourage them to come up with an alternative solution.

### **Step 5: Review and improve**

- Check in frequently with your employees to discuss how the arrangement is working.
- Speak up if something is not working; consider how to adjust the arrangement to better suit both parties rather than dropping it completely.
- Ensure the whole team is aware of the benefits and acknowledges the challenges.

For more details see the <u>Flexible Work Toolkit</u> developed by Employment New Zealand.





### Can flexi-working have an impact on our traffic issues?

Traffic congestion in our major cities is creating economic, environmental and social costs. None more so than in Auckland. The mainstream introduction of flexi-working is going to be part of the solution, says Auckland Transport.

Auckland's congestion is increasing by 2-3% per year despite more people using public transport (over 103 million trips in 2019) and bikes (3.8 million cycle movements at recording sites in 2019).

The economic cost of that congestion is estimated at \$1.3 billion per year. The time spent in traffic is less time to be productive. AA's annual Auckland Congestion Report says the average motorway user lost 85 hours to congestion in 2018, compared with 79 hours in 2017.

About 35% of Auckland's greenhouse gas emissions come from the road transport sector. Over 90% of passenger distance is in cars, mostly with just a driver. Being stuck in traffic also has a

social cost creating less time for work, leisure and family.

Auckland's roads are only used at full capacity for 6% of the day – the peaks of the morning and evening rush. Auckland Transport is running a campaign to <u>Spread the Jam</u>. It says changing the time people travel to and from work and flexi-working will help reduce congestion and could reduce journey times. If everyone worked from home one day a week, traffic could be reduced by 15-20%.

Auckland Transport has been supporting a flexi-working programme since 2016. A survey in 2018 showed that 36% of its staff flexi-worked from home in a normal week. Another survey in May 2020 showed a leap in interest with 80% of staff wanting to work from home at least one to two days a week.

"We recognise that not everyone can work from home or use other flexiworking practices, but for those who can, it will make a world of difference to those who can't. Together we can make a difference. Regardless of your mode."

Shane Ellison, CEO, Auckland Transport

#### **Case Studies**

Check out these case studies on flexi-working.

#### IAG

Improved productivity

IAG introduced its MyFlex programme in 2017 in recognition that the traditional 8.30am to 5pm, Monday to Friday model was not a one-size-fits-all.

MyFlex aims to allow employees greater flexibility in balancing their work and personal life commitments. In addition to when and where staff work, the programme also offers flexibility around their role in the company, like job sharing, and their career, including paid study leave. Leaders are encouraged to role model flexible working behaviours, and to talk openly about the programme with the team.

MyFlex has demonstrated increased productivity. Staff report reduced travel times, ease of getting to work, a reduction in stress and an increase in overall wellbeing. Engagement scores across the business have also increased. The company anticipates that these workforce benefits will have a positive impact on customers, too.

IAG is now recognised as a flexi-work employer. This gives it access to a broader, more diverse pool of talent.

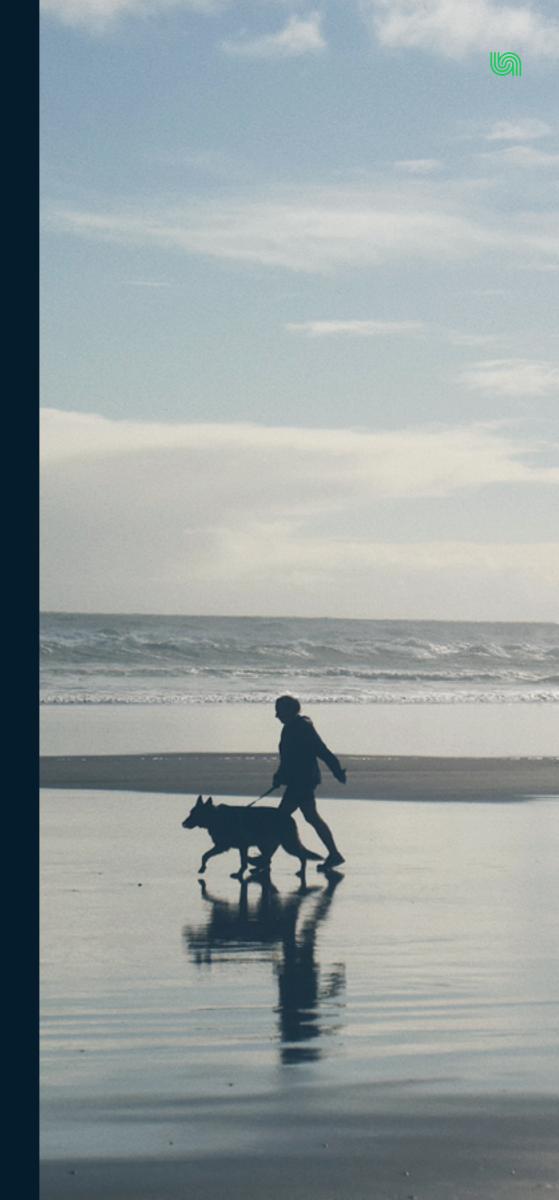
### Lion

Better work-life balance

Almost half of Lion's staff use its LionFlex policy. It includes flexibility around location, leave entitlement, role and schedules.

The company says having flexible working arrangements allows its people to enjoy all aspects of their lives, and contributes to their wellbeing. This flows through to high engagement within the company, and benefits the business through increased performance and people willing to go the extra mile. LionFlex is one thing that really attracts people to the company and is a key reason they stay, particularly around key moments in their lives like parenthood, unwell family members or dealing with mental wellbeing.

The successful introduction of the policy started with senior leaders. They put real effort into shifting attitudes internally so no one felt bad about leaving at 3pm, or working outside the office. That started to have a flow on effect, with team members feeling more comfortable about following suit.



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### **Brightly**

Using a shared workspace

When Mike Carroll started up the IT strategy and consultancy business Brightly, in 2016, he was working from home. As the business expanded, he quickly outgrew his home office and moved into the GridAKL building which was New Zealand's first and largest purpose-built co-working space. It also has impressive environmental credentials including energy efficient air conditioning, CO2 control and environmentally sustainable LED lighting.

Brightly pays a monthly membership fee for a dedicated space used by a team of six. That fee also covers the management (and headaches) of ancillary services like the shared kitchen. With a flexible work arrangement for the team, most weeks will see the full team in the office for three days, while on the other two some people work from home or at the premises of their customers. Mike says the key benefits of working in a shared space include a strong sense of community, improved social interaction and inspiring levels of energy. While there is a wide range of businesses, they share similar values when it comes to innovation and making a difference.

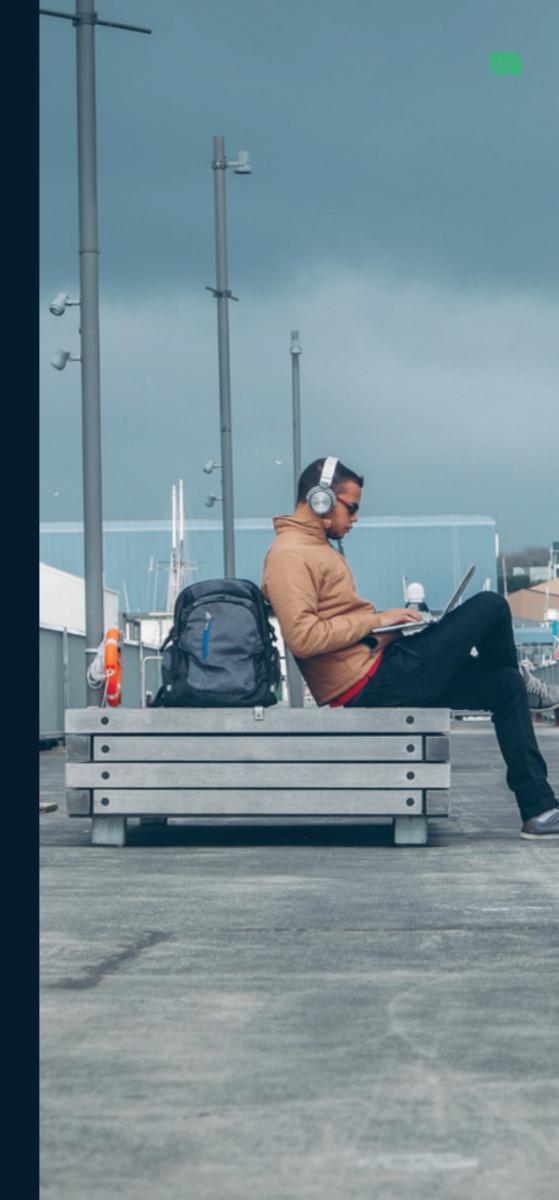
### GoodSense

A business run from home

Marketing business GoodSense has never had an office. When the founder, Kath Dewar, started to bring other team members on board, they shared her desire to combine senior marketing work with work-life-balance. Some team members have wanted more freedom around school pick-ups and to develop parallel careers.

The Auckland business makes the most of 21st century technology to deliver great client service and flexible working with minimal travel. The team operates from a network of home offices connected by a cloud-based phone system, video conferencing and a secure social network/intranet for document sharing and communication.

They make heavy use of video conferencing for client meetings and workshops and team meetings. They also plan together-time for the whole team to share some professional development insights and structure a general catch up with people coming together in Auckland or joining by video conference from out of town. An annual social get together lets the Directors say thank you. These events help build the bonds and goodwill that underpin flexi-working.





# Resources

### Ministry of Business, Innovation & Employment Hikina Whakatutuki

Ministry of Business, Innovation & Employment Hikina Whakatutuki on flexible working arrangements.

### **Employment New Zealand**

Employment New Zealand introduction to <u>flexible working</u> <u>arrangements</u>.

Employment New Zealand <u>flexible</u> working toolkit.



To find out more

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