

President Ross
Fair Work Commission
Level 4, 11 Exhibition Street
Melbourne, Vic, 3000

6 September 2017

By email: Chambers.Ross.j@fwc.gov.au

CC

Julian Arndt
Australian Business Lawyers & Advisors
140 Arthur Street North Sydney NSW 2060

By email: Julian.Arndt@ablawyers.com.au

Ruchi Bhatt
Australian Industry Group
51 Walker Street, North Sydney NSW 2060

By email: ruchi.bhatt@aigroup.com.au

Dear President Ross,

AM2015/2 - Family friendly work arrangements

I refer to the above matter.

The ACTU seeks leave to file the **attached** expert report of Dr James Stanford.

In the *Parental Leave Test Case*¹, the Full Bench observed that, at the time, there was 'an absence of high quality evaluation data in relation to the business benefits associated with family friendly practices'.

On 1 May 2017, in anticipation of these matters arising in the employer parties' response to the ACTU's material, the ACTU instructed Dr Stanford to consider the comments of the 2005 Full Bench and prepare a report. The ACTU took this pre-emptive step in light of the very tight timeframe for the preparation of reply evidence.

Dr Stanford provided his report to the ACTU after close of business on 4 September 2017. The report reviews and summarises the available literature about the nature and scope of business benefits associated with family friendly working arrangements, and assesses the order of magnitude of such benefits relative to any costs.

The ACTU has reviewed the report and formed the view that the material is highly relevant to the matters to be determined by the Commission and should be filed (subject to leave

¹ (2005) 143 IR 245 at [183]

being granted) and provided to the employer parties for their consideration as soon as possible.

The ACTU is conscious of the need for the employer parties to have adequate time to consider and respond to the report, and will not oppose any reasonable request for additional time for this purpose.

We thank you for your consideration of this request.

If you require any further information, please do not hesitate to contact Sophie Ismail on 03 9664 7218 or 0409 070 478 or sismail@actu.org.au

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. Ismail', written in a cursive style.

Sophie Ismail
Legal and Industrial Officer

FAIR WORK COMMISSION

Fair Work Act

s.156 - 4 Yearly Review of Modern Awards

Family Friendly Working Arrangements (AM2015/2)

Statement of Dr James Stanford

1. My name is James Stanford. I am an Economist and the Director of the Centre for Future Work in Sydney (associated with the Australia Institute) which focuses on economic policy research on matters of labour markets, employment, productivity, and related topics.
2. Prior to this position I worked as Economist and Director of Economic, Social, and Sectoral Policy for Unifor, Canada's largest private-sector trade union.
3. I am also presently the Harold Innis Industry Professor of Economics at McMaster University in Hamilton, Ontario, Canada (fractional appointment), and Honorary Professor of Political-Economy at the University of Sydney.
4. I hold a Ph.D. in Economics from the New School for Social Research in New York, USA; an M.Phil. in Economics from the University of Cambridge in Cambridge, UK; and a B.A. (Hons.) in Economics from the University of Calgary in Calgary, Canada.
5. I have 25 years of professional experience as a research economist in a range of academic and industry positions, specialising in labour economic research and policy.
6. I am the author or co-author of six books, over 50 peer-reviewed articles in journals or edited collections, and over 50 policy reports and studies covering all areas of labour market economic theory, empirics, and policy.
7. I have participated as a partner, investigator, or collaborator on over a dozen peer-reviewed academic research grants awarded by granting agencies in Canada and other countries, with a combined value of over \$9 million.
8. A copy of my full curriculum vitae is attached to this Statement, and marked Annexure JS-1.
9. I was requested by the Australian Council of Trade Unions to prepare a report for the purpose of the Fair Work Commission's proceedings relating to the ACTU's application for

Family Friendly Work Arrangements. Attached to this Statement and marked Annexure JS-2 is a copy of a letter of instructions I received from the Australian Council of Trade Unions.

10. I subsequently prepared an expert report in accordance with the letter of instructions, a copy of which is attached to this statement and marked Annexure JS-3.
11. I have read, understood and complied with the Federal Court of Australia Expert Evidence Practice Note (GPN-EXPT) in the preparation of my Report.
12. My report reflects my specialised knowledge gained through training, study, research and experience as outlined in this statement and Annexure JS-1.

Signed: Dr. James Stanford

A handwritten signature in black ink, appearing to read 'J. Stanford', written in a cursive style.

Dated: September 4, 2017

Curriculum Vitae

James O. Stanford, Ph.D.

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Toronto, ON M2H 3H9
Canada
(416- 497-4110)

jim.stanford@unifor.org, stanforj@mcmaster.ca

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1. Current Status:

Economist and Director, Centre for Future Work
The Australia Institute
Level 3, Trades Hall Building
4 Goulburn Street, Sydney, NSW, 2000, Australia

Harold Innis Industry Professor (fractional appointment)
Department of Economics, McMaster University
Hamilton, Ontario, L8S 4L8, Canada

Economic Advisor
Unifor
205 Placer Court
Toronto, Ontario, M2H3H9, Canada

2. Education:

Graduate Faculty, New School for Social Research, New York (1990-95)

Ph.D. in Economics

Degree conferred in 1995.

Dissertation: *Social Structures, Labor Costs, and North American Economic Integration.*

Areas of concentration: international economics, macroeconomics, labour economics.

University of Cambridge, Cambridge, U.K. (1985-1986)

M.Phil. in Economics

Degree conferred with distinction in 1986.

Areas of concentration: labour economics, macroeconomics.

University of Calgary, Calgary, Alberta (1979-1984)

B.A. (Hons.) in Economics

Degree conferred with distinction in 1984.

3. Employment History:

**Centre for Future Work, The Australia Institute, Sydney, Australia
(2016-present)**

Economist and Founding Director.

Responsible for research, publication, public commentary, and fund-raising for research centre addressing labour market and employment policy issues.

**McMaster University, Department of Economics, Hamilton, Canada
(2015-present)**

Harold Innis Industry Professor, Department of Economics (fractional appointment).

Responsibilities: teaching postgraduate courses in economic policy, co-supervising graduate students, participation in funded research.

Unifor, Toronto, Canada (1994-2015)

Economist, and Director of Economic, Social and Sectoral Policy.

Canada's largest private sector trade union (formerly Canadian Auto Workers).

Responsibilities: macroeconomic, labour market, fiscal, and trade policy analysis; collective bargaining and corporate research; union strategy; member education.

Oversaw union's policy development, co-managed department with 7 total staff.

Continuing role as economic advisor to Unifor's leadership team.

Brookings Institution, Washington DC (1992-1993)

Research Fellow, Economic Studies Program.

Conducted research project on quantitative models of the economic effects of North American free trade.

Canadian Union of Public Employees, Ottawa (1989-1990)

Research Assistant, Research Department.

Responsibilities: macroeconomic and fiscal policy analysis; collective bargaining research; pension planning.

Canadian Energy Research Institute, Calgary (1986-1989)

Research Economist.

Responsibilities: world oil demand and supply modelling and market analysis; analysis of electricity industry regulation and deregulation.

4. Professional Organizations:

Member, Canadian Economics Association.

Member, Economic Society of Australia.

Steering Committee Member and Past Chairperson, Progressive Economics Forum.

Founding Member, World Economics Association.

Member, Former Steering Committee Member, Union for Radical Political Economics.

5. Scholarly and Professional Activity:

5.1 Academic Journals:

Member, Editorial Board, *Studies in Political Economy*, 1999-present (Canada's leading political economy journal).

Member, Editorial Board, *Labour – Le Travail*, 2003-2017 (Canadian labour studies and labour history journal).

Have served as peer reviewer for several other academic journals, including the *Cambridge Journal of Regions, Economies, and Society*; the *International Review of Applied Economics*; *Canadian Public Policy*; and the *Journal of Australian Political Economy*.

5.2 Other Academic Activity:

Honorary Professor, Department of Political Economy,
University of Sydney, Australia.

Visiting Scholar, School of Population Health,
University of Melbourne, Australia, 2006-2007.

Adjunct Professor and Council Member,
Centre for Research on Work and Society (renamed Global Labour Research Centre),
York University, Toronto, 1997-2007.

Co-Chair, Working Group on Labour Market Regulation and Deregulation,
Centre for Research on Work and Society, York University, Toronto, 1998-2002.

5.3 Government and Policy Bodies:

Member, Jobs and Prosperity Council, Government of Ontario, 2012-2013.

Technical Expert, Ontario Workplace Safety and Insurance Board Funding Review,
2010-2011.

Vice Chair, Ontario Manufacturing Council, Government of Ontario, 2007-present.

Member, Board of Directors,
Public Policy Forum, Ottawa, 2004-2010.

Member, Expert Panel on Business Innovation,
Council of Canadian Academies / Industry Canada, 2007-2009.

Member, Mayor's Independent Fiscal Review Panel,
City of Toronto, 2007-08.

Canadian Automotive Partnership Council (CAPC), Industry Canada,
Co-Chair, CAPC International Trade Committee, 2002-present.

Selected Specialist on Budgetary Estimates,

House of Commons of Canada, Finance Committee, 2004-2006.

Member, Minister's Advisory Committee on Air Policy Issues,
Ministry of Transportation, Government of Canada, 1996-1997.

Co-Chair, Marketing, Investment and Finance Task Force,
Machinery, Tool, Die and Mould Industry Sectoral Partnership Initiative,
Government of Ontario, 1994-1995.

Co-Chair, Export Development Task Force,
Electrical and Electronics Industry Sectoral Partnership Initiative,
Government of Ontario, 1994-1995.

5.4 Community and Voluntary Activities:

Member, Members' Council, and Research Associate,
Canadian Centre for Policy Alternatives, Ottawa, 1996-present.

Chair, Advisory Board, Ontario Office, Canadian Centre for Policy Alternatives,
Toronto, 2012-2015.

Member, Advisory Committee, *leadnow.ca*, 2011-2015 (internet social activist
organization).

Director (2002-15) and Member of Advisory Committee (2015-present), Canadian
Foundation for Economics Education.

Member, Steering Committee and Co-Author, Alternative Federal Budget Project,
Ottawa, 1995-2015.

6. Main Areas of Research Interest:

Economic structure and sectoral policy: Impact of resource and commodity cycles on economic and industrial structure; industrial and sectoral development strategies under globalization; environmental constraints, environmental policy, and industrial structure.

Precarious work, unions, and new models of organization: Economic and social effects of trade unions and collective bargaining; impact of economic changes and globalization on union power; new forms of union organizing and collective representation; collective organization in precarious and non-standard work; relationships between technology, productivity, union power, and inequality.

Globalization, trade policy, and economic modelling: Economic impacts of trade policy and new free trade agreements; critique of neoclassical models of international economic integration; national industrial policy and global supply chains; alternative trade and development policies.

7. Honours and Awards:

Ontario History and Social Science Teachers Association (2015)

“Outstanding Canadians Leadership Award,” for economic literacy initiatives.

Canadian Civil Liberties Association (2012)

Award for outstanding “Public Engagement,” for economic commentary and economic literacy initiatives.

Canadian Association of Labour in Media (2011)

Best Public Advocacy Video in 2010, awarded for “The Curious Case of the Missing Recovery” (dir. Michael Connolly, 12 minutes).

Public Policy Forum Testimonial Award (2011)

Award for noteworthy contributions to public policy in Canada.

New Unionism Network (2009)

Best Labour Book of 2008, awarded for *Economics for Everyone: A Short Guide to the Economics of Capitalism* (London: Pluto Books).

Frieda Wunderlich Memorial Award, New School for Social Research (1995)

Awarded for best dissertation by a non-U.S. graduating Ph.D. student.

SSHRC Post-Doctoral Fellowship, York University (1994)

Awarded for two years, “Institutional Structures and North American Economic Integration.” (Fellowship declined in favour of position with Canadian Auto Workers.)

Leo Model Research Fellowship, Brookings Institution, Washington D.C. (1993-94)
Awarded for quantitative study of the economic consequences of the NAFTA.

Social Sciences and Humanities Research Council, Doctoral Fellowship (1991-1995)
Four-year award to support doctoral studies in economics.

Eberstadt Prize Fellowship, New School for Social Research (1990-1993)
Three-year award to support doctoral studies in economics.

National Journalism Award, Canadian Petroleum Association (1991)
Best feature article prize, for magazine article on Canadian natural gas exports.

Letter of Distinction, University of Cambridge (1986)
Awarded for highest grades in M.Phil. graduating class.

Commonwealth Scholarship (1985-1986)
Award to support M.Phil. studies in economics.

8. Teaching Experience:

Dept. of Economics, McMaster University, Hamilton, Canada (2016-present)

Postgraduate seminar course in economic policy (fractional position).

University Guest Lectures

I have delivered dozens of guest lectures, both undergraduate and postgraduate, in economics, political economy, and economic policy at universities around the world, including: Renmin University (Beijing), University of Sydney, University of Melbourne, University of Strathclyde, University of Wisconsin in Madison, University of Vermont, New School for Social Research, University of Massachusetts at Amherst, University of Toronto, York University, Ryerson University, University of British Columbia, University of Guelph, Trent University, Laurentian University, University of Western Ontario, King's College (London, Canada), and Queen's University (Canada).

Unifor, Toronto, Canada

Have designed and taught annual courses since 2006 on “Economics for Trade Unionists” in on-line, classroom, and residential settings.

Other Labour Movement Education

Have designed and taught courses, based on my book *Economics for Everyone: A Short Guide to the Economics of Capitalism*, for other labour organizations including the International Transport Workers Federation (ITF), the Canadian Labour Congress (CLC), the Australian Manufacturing Workers Union (AMWU), and the New Zealand Council of Trade Unions (NZCTU), in classroom and residential settings.

Eugene Lang College, New York City (1992)

Undergraduate Instructor, Social Sciences Department: Introductory economics.

Graduate Faculty, New School for Social Research, New York (1991)

Teaching Assistant, Economics Department: Postgraduate macroeconomics.

University of Calgary, Calgary, Alberta (1987-1988)

Undergraduate Instructor, Economics Department: Microeconomics, macroeconomics.

9. Postgraduate Students Supervised or Examined:

Martin Duck, M.A., Political Economy, University of Sydney, successfully completed, 2016. “The Australian Resource Boom: Consolidating Neoliberal Hegemony.” External examiner.

Natasha Heenan, M.A. (Research), Political Economy, University of Sydney, committee member, 2016-, “The Radical Political Economy of Tourism in Emerging Countries.”

Nicholas Falvo, Ph.D., Public Administration, Carleton University, successfully completed, 2015. “Three Essays on Social Assistance in Canada: A Multidisciplinary Focus on Ontario Singles.” Committee member.

Troy Henderson, M.A. (Research), Political Economy, University of Sydney, successfully completed, 2014. “The Four-Day Workweek as a Policy Option for Australia.” External examiner.

Freya Kodar, LLM, York University, successfully completed, 2002. "Corporate Law, Pension Law and the Transformative Potential of Pension Fund Investment Activism." Committee member.

10. Research Funding:

2016-2018. Collaborator, SSHRC Partnership Development Grant, \$199,740, "Austerity and its Alternatives," Stephen McBride, P.I., McMaster University.

2015-2018. Community Partner, SSHRC Partnership Program, \$2,496,543, "Mapping the Power of the Carbon-Extractive Corporate Resource Sector," Willian Carroll, P.I., University of Victoria.

2015-2016. Collaborator, SSHRC Partnership Development Grant, \$200,000, "Productivity, Firms, and Incomes," Michael Veall, P.I., McMaster University.

2014-2016. Collaborator, SSHRC Partnership Development Grant, \$170,962, "Policy Engagement at Multiple Levels of Governance: A Case Study of the Minimum Wage/Living Wage Policy Community," Bryan Evans, P.I., Ryerson University.

2012. Applicant, Metcalf Foundation, \$25,000, for Ontario office of the Canadian Centre for Policy Alternatives, Living Wage Initiative.

2012-2016. Executive Member, Automotive Partnership Council and SSHRC, \$2,011,000, "Manufacturing Policy and the Canadian Automotive Sector: Analysis and Options for Growth, Sustainability and Global Reach," Charlotte Yates, P.I., McMaster University.

2012-2016. Community Partner, SSHRC Partnership Program, \$2,500,000, "On the Move: Employment-Related Geographical Mobility in the Canadian Context," Barbara Neis, P.I., Memorial University.

2004-2006. Community Partner, SSHRC New Economy Program, \$900,000, "Restructuring Work and Labour in the New Economy," Norene Pupo, P.I., York University.

2001. Applicant and Conference Co-chair, SSHRC Conference Grant, \$12,500,

“Challenging the Market,” York University.

2000-2003. Community Partner, SSHRC Globalization and Social Cohesion Initiative, \$600,000, “Strengthening Canada’s Environmental Community Through International Regime Reform,” EnviReform, John Kirton, P.I., University of Toronto.

1998-2000. Collaborator, SSHRC Research Development Initiative, \$90,000, “Defining the Public Domain,” Daniel Drache, P.I., York University.

11. Peer-Reviewed Publications:

11.1 Books:

Stanford, Jim (2015). *Economics for Everyone: A Short Guide to the Economics of Capitalism, Second Edition* (London: Pluto Books), 402 pp.

Stanford, Jim (2008). *Economics for Everyone: A Short Guide to the Economics of Capitalism* (London: Pluto Books), 350 pp. Published in 6 languages.

Stanford, Jim, and Leah Vosko, eds. (2004). *Challenging the Market: The Struggle to Regulate Work and Income* (Montreal: McGill-Queen’s University Press).

Stanford, Jim, Lance Taylor, and Ellen Houston, eds. (2000). *Power, Employment and Accumulation* (Armonk, N.Y. M.E.Sharpe).

Stanford, Jim (1999). *Paper Boom: Why Real Prosperity Requires a New Approach to Canada’s Economy* (Toronto: James Lorimer).

Reinsch, Anthony E., Kevin J. Brown, and Jim Stanford (1988). *Stability Within Uncertainty: Evolution of the World Oil Market* (Calgary: Canadian Energy Research Institute).

11.2 Book Chapters:

Stanford, Jim (2016). “Is More Trade Liberalization the Remedy for Canada’s Trade Woes?” in Stephen Tapp, Ari Van Assche and Robert Wolfe, eds., *Redesigning Canadian Trade Policies for New Global Realities* (Montreal: Institute for Research on

- Public Policy), pp. 435-452.
- Stanford, Jim (2014). "Why Austerity?", in Donna Baines and Stephen McBride, eds., *Orchestrating Austerity: Impacts and Resistance* (Halifax: Fernwood), pp. 198-209.
- Stanford, Jim (2014). "Adding Value to Canada's Petroleum Wealth: A National Economic and Environmental Priority," in Clement Bowman and Richard Marceau, eds., *Canada: Becoming a Sustainable Energy Powerhouse* (Ottawa: Canadian Academy of Engineering), pp. 25-46.
- Stanford, Jim (2014). "The Experience of Neoliberalism in New Zealand: The View From Afar," in David Cooke, Claire Hill, Pat Baskett, and Ruth Irwin, eds., *Beyond the Free Market: Rebuilding a Just Society in New Zealand* (Auckland: Dunmore).
- Stanford, Jim (2013). "The Economic Consequences of Taxing and Spending," in Alex Himelfarb and Jordan Himelfarb (eds.), *Tax is Not a Four-Letter Word* (Kitchener: Wilfred Laurier University Press), pp. 17-38.
- Murnighan, Bill, and Jim Stanford (2013). "'We Will Fight This Crisis': Auto Workers Respond to an Industrial Meltdown," in Hugh Chessire and Tim Fowler (eds.), *Labour, State and Crisis* (Ottawa: Red Quill), pp. 129-165.
- Stanford, Jim (2011). "The North American Free Trade Agreement: Context, Structure and Performance," in Jonathan Michie, ed., *The Handbook of Globalization* (Cheltenham, U.K.: Edward Elgar), 2nd edition, pp. 324-355.
- Stanford, Jim (2010). "What Determines Wages? Income Distribution in the Surplus Tradition," in Hassan Bougrine, Mario Seccareccia, and Ian Parkers (eds.), *Introducing Microeconomic Analysis: Issues, Questions, and Competing Views* (Toronto: Emond Montgomery).
- Stanford, Jim (2010). "What Drives Investment: A Heterodox Perspective?", in Hassan Bougrine and Mario Seccareccia (eds.), *Introducing Macroeconomic Analysis: Issues, Questions, and Competing Views* (Toronto: Emond Montgomery), pp. 101-115.
- diCarlo, Angelo, Chad Johnston, and Jim Stanford (2010). "Canada's Labour Movement in Challenging Times: Unions and their Role in a Changing Economy," in Norene

- Pupo, Dan Glenday, and Ann Duffy (eds.), *The Shifting Landscape of Work* (Toronto: Thomson Nelson).
- Stanford, Jim (2005). "Reform, Revolution, and a Bottom Line that Has to Add Up: Balancing Vision and Relevance in the Alternative Budgeting Movement," in Haroon Akram-Lodhi, Robert Chernomas, and Ardeshir Sepehri (eds.), *Globalization, Neo-Conservative Policies, And Democratic Alternatives: Essays In Honour Of John Loxley* (Winnipeg: Arbeiter Ring).
- Stanford, Jim (2005). "Industrial Policy in an Era of Free Trade: What Isn't, and Is, Possible?", in Mark Setterfield (ed.), *Interactions in Analytical Political Economy: Theory, Policy and Applications* (Armonk, N.Y.: M.E. Sharpe), pp. 114-139.
- Stanford, Jim (2004). "Testing the Flexibility Paradigm: Canadian Labor Market Performance in International Context," in David R. Howell, ed., *Fighting Unemployment: The Limits of Free-Market Orthodoxy* (Oxford: Oxford University Press).
- Stanford, Jim (2003). "The North American Free Trade Agreement: Context, Structure and Performance," in Jonathan Michie, ed., *The Handbook of Globalization* (Cheltenham, U.K.: Edward Elgar).
- Gindin, Sam, and Jim Stanford (2003). "Canadian Labour and the Political Economy of Transformation," in Wallace Clement and Leah F. Vosko (eds.), *Changing Canada: Political Economy as Transformation* (Montreal: McGill-Queen's University Press).
- Stanford, Jim (2001). "Social Democratic Policy and Economic Reality: the Canadian Experience," in Philip Arestis and Malcolm Sawyer (eds.), *The Economics of the Third Way: Experiences from Around the World* (Cheltenham, U.K.: Edward Elgar), pp. 79-105.
- Stanford, Jim (2001). "RRSPs and Reality: The Economic Consequences of Financial Inequality," in Edward Broadbent (ed.), *Democratic Equality: What Went Wrong?* (Toronto: University of Toronto Press).
- Stanford, Jim (2000). "A Reality Check," in L. Ian MacDonald (ed.), *Free Trade: Risks and Rewards* (Montreal: McGill-Queen's University Press).

- Stanford, Jim (1998). "Openness with Equity: Regulating Labour Market Outcomes in a Globalized Economy," in Dean Baker, Gerald Epstein, and Robert Pollin (eds.), *Globalization and Progressive Economic Policy* (Cambridge: Cambridge University Press).
- Stanford, Jim (1998). "The Rise and Fall of Deficit-Mania: Public-Sector Finances and the Attack on Social Canada," in Wayne Antony and Les Samuelson (eds.), *Power and Resistance: Critical Thinking About Canadian Social Issues* (Halifax: Fernwood).
- Stanford, Jim (1996). "Discipline, Insecurity, and Productivity: The Economics Behind Labour Market 'Flexibility'," in Jane Pulkingham and Gordon Ternowetsky (eds.), *Remaking Canadian Social Policy* (Halifax: Fernwood).
- Stanford, Jim (1995). "The Permanent Recession and Canada's Debt: The Fiscal Context of Social Reform," in Daniel Drache and Andrew Ranachan (eds.), *Warm Heart, Cold Country: Fiscal and Social Policy Reform in Canada* (Ottawa: Caledon Institute).
- Stanford, Jim (1993). "North American Economic Integration and the International Regulation of Labor Standards," in Bruno Stein (ed.), *Proceedings of New York University 46th Annual National Conference on Labor* (Boston: Little Brown).
- Stanford, Jim (1989). "Future Capacity Additions," in K. Morgan MacRae (ed.), *Critical Issues in Electric Power Planning in the 1990s* (Calgary: Canadian Energy Research Institute).

11.3 Journal Articles:

- Stanford, Jim (2017). "The Resurgence of Gig Work: Historical and Theoretical Perspectives," *Economic and Labour Relations Review* 28(3), pp. xx-xx.
- Stewart, Andrew, and Jim Stanford (2017). "Regulating work in the gig economy: What are the options?," *Economic and Labour Relations Review* 28(3), pp. xx-xx.
- Stanford, Jim (2017). "Automotive Surrender: The Demise of Industrial Policy in the Australian Vehicle Industry," *Economic and Labour Relations Review* 28(2), pp. 197-217.
- Stanford, Jim (2017). "When an Auto Industry Disappears: Australia's Experience and

- Lessons for Canada," *Canadian Public Policy* 43(S1), pp. 57-74.
- Stanford, Jim (2016). "Symposium on Heterodox Economics and the Economic Crisis: Introduction," *Studies in Political Economy* 97, pp. 56-57.
- Stanford, Jim (2015). "Toward an Activist Pedagogy in Heterodox Economics: The Case of Trade Union Economics Training," *Journal of Australian Political Economy* 75, pp. 11-34.
- Stanford, Jim (2013). "The Myth of Canadian Exceptionalism: Crisis, Non-Recovery, and Austerity," *Alternate Routes* 2013, pp. 19-32.
- Stanford, Jim (2010). "The Geography of Auto Globalization, and the Politics of Auto Bailouts," *Cambridge Journal of Regions, Economies, and Society* 3(3), pp. 383-405.
- Stanford, Jim (2009/10). "Understanding the Economic Crisis: The Importance of Training in Critical Economics," *Journal of Australian Political Economy* 64, pp. 9-21.
- Sran, Garry, and Jim Stanford (2009). "Further Tests of the Link Between Unionization, Unemployment, and Employment: Findings From Canadian National and Provincial Data," *Just Labour: A Canadian Journal of Work and Society* 15, pp. 29-77.
- Stanford, Jim, ed. (2009). "Forum on Labour and the Economics Crisis: Can the Union Movement Rise to the Occasion?," *Labour/Le Travail* 64, pp. 135-172.
- Stanford, Jim (2008). "Radical Economics and Social Change Movements: Strengthening the Links between Academics and Activists," *Review of Radical Political Economics* 40(3), pp. 205-219.
- Stanford, Jim (2008). "Staples, Deindustrialization, and Foreign Investment: Canada's Economic Journey Back to the Future," *Studies in Political Economy* 82, pp. 7-34.
- Stanford, Jim (2008). "Privatization if Necessary but not Necessarily Privatization," *Review of Income and Wealth* 54(1), pp. 116-125.
- Stanford, Jim (2005). "Revisiting the 'Flexibility' Hypothesis," *Canadian Public Policy* 31(1), pp. 109-116.

- Stanford, Jim (2003). "Economic Models and Economic Reality: North American Free Trade and the Predictions of Economists," *International Journal of Political Economy* 33(3), pp. 28-49.
- Stanford, Jim (2001). "The Economic and Social Consequences of Fiscal Retrenchment in Canada in the 1990s," *Review of Economic Performance and Social Progress* 1, pp. 141-160.
- Stanford, Jim (2000). "Canadian Labour Market Developments in International Context: Flexibility, Regulation, and Demand," *Canadian Public Policy* 26(supp.), pp. 27-58.
- Stanford, Jim (1997). "Is There a Risk Premium in Canadian Interest Rates?," *Canadian Business Economics* 5(4), Summer, pp. 53-60.
- Stanford, Jim (1995). "The Economics of Debt and the Remaking of Canada," *Studies in Political Economy* 48, Autumn, pp. 113-135.
- Stanford, Jim (1995). "Bending Over Backwards: Is Canada's Labour Market Really Inflexible?," *Canadian Business Economics* 4(1), Fall, pp. 70-85.
- Stanford, Jim (1993). "Continental Economic Integration: Modeling the Impact on Labor," *Annals of the American Academy of Political and Social Science* (526), March, pp. 92-110.
- Spriggs, William E. and Jim Stanford (1993). "Economists' Assessments of the Likely Employment and Wage Effects of the North American Free Trade Agreement," *Hofstra Labor Law Review* 10(2), Spring, pp. 495-536.

11.4 Encyclopaedia Entries:

- Stanford, Jim (2015). "Mark Carney," in Louis-Philippe Rochon, Sergio Rossi, and Matias Vernengo, eds., *The Elgar Encyclopaedia of Central Banking* (Cheltenham: Edward Elgar), pp. 71-74.

12. Non-Peer-Reviewed Research Publications:

12.1 Technical and Policy Papers:

Stanford, Jim (2017). *Summary of Automotive Industry Collective Bargaining Models in Four Countries* (Report prepared for the International Labour Office, Geneva), 31 pp.

Stanford, Jim (2017). *Tip of the Iceberg: Weekend Work and Penalty Pay in 108 Australian Industries* (Canberra: Centre for Future Work at the Australia Institute), 31 pp.

Stanford, Jim (2016). *The Economic, Fiscal, and Social Importance of Aluminium Manufacturing in Portland, Victoria* (Canberra: Centre for Future Work at the Australia Institute), 65 pp.

Stanford, Jim (2016). *Economic Aspects of Domestic Violence Leave Provisions* (Canberra: Centre for Future Work at the Australia Institute), 29 pp.

Stanford, Jim (2016). *Beyond Belief: Construction Labour and the Cost of Housing in Australia* (Canberra: Centre for Future Work at the Australia Institute), 30 pp.

Swann, Tom, and Jim Stanford (2016). *Excessive Hours and Unpaid Overtime: An Update* (Canberra: Centre for Future Work at the Australia Institute), 17 pp.

Stanford, Jim (2016). *Penny Wise and Pound Foolish: The Economic and Fiscal Costs of Offshoring Public Procurement* (Canberra: Centre for Future Work at the Australia Institute), 32 pp.

Stanford, Jim (2016). *Jobs and Growth... And a Few Hard Numbers: A Scorecard on Economic Policy and Economic Performance* (Canberra: Centre for Future Work at the Australia Institute), 22 pp.

Stanford, Jim (2016). *Manufacturing (Still) Matters: Why the Decline of Australian Manufacturing is Not Inevitable, and What Government Can Do About It* (Canberra: Centre for Future Work at the Australia Institute), 15 pp.

Stanford, Jim, and Jordan Brennan (2015). *Rhetoric and Reality: Evaluating Canada's Economic Record Under the Harper Government* (Toronto: Unifor), 63 pp.

Brennan, Jordan, and Jim Stanford (2014). *Dispelling Minimum Wage Mythology: The*

- Minimum Wage and the Impact on Jobs in Canada, 1983–2012* (Ottawa: Canadian Centre for Policy Alternatives), 24 pp.
- Haley, Brendan, and Jim Stanford (2014). *Short-Circuited: Assessing the Ontario Progressive Conservative Party's Energy Policy* (Toronto: Canadian Centre for Policy Alternatives Ontario), 15 pp.
- Stanford, Jim (2014). *CETA and Canada's Auto Industry: Making a Bad Situation Worse* (Ottawa: Canadian Centre for Policy Alternatives), 40 pp.
- Stanford, Jim (2014). *Canada's Auto Industry and the New Free Trade Agreements: Sorting Through the Impacts* (Ottawa: Canadian Centre for Policy Alternatives), 34 pp.
- Stanford, Jim, ed. (2014). *The Staple Theory @ 50: Reflections on the Lasting Significance of Mel Watkins' "A Staple Theory of Economic Growth"* (Ottawa: Canadian Centre for Policy Alternatives), 135 pp.
- Clarke, Tony, Diana Gibson, Brendan Haley, and Jim Stanford (2013). *Bitumen Cliff: Lessons and Challenges of Bitumen Mega-Developments for Canada's Economy in an Age of Climate Change* (Ottawa: Canadian Centre for Policy Alternatives), 102 pp.
- Stanford, Jim (2012). *A Cure for Dutch Disease: Active Sector Strategies for Canada's Economy* (Ottawa: Canadian Centre for Policy Alternatives), 11 pp.
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- Dryden, Robert, and Jim Stanford (2012). *The Unintended Consequences of Outsourcing Cleaning Work*. Ottawa: Canadian Centre for Policy Alternatives, 42 pp.
- Stanford, Jim (2012). *Canada's Incomplete, Mediocre Recovery*. Ottawa: Canadian Centre for Policy Alternatives, 2012, 7 pp.
- Stanford, Jim (2011). *Graphs for Dummies: The Troubled Geometry of Tim Hudak's 'changebook'* (Ottawa: Canadian Centre for Policy Alternatives), 15 pp.
- Stanford, Jim (2011). *Having Their Cake and Eating It Too: Business Profits, Taxes, and Investment in Canada, 1961 Through 2010* (Ottawa: Canadian Centre for Policy Alternatives), 15 pp.

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Stanford, Jim (2010). *Out of Equilibrium: The Impact of EU-Canada Free Trade on the Real Economy* (Ottawa: Canadian Centre for Policy Alternatives), 44 pp.

Stanford, Jim (2009). *The Profitability of Automotive Manufacturing in Canada, 1972-2007* (Toronto: CAW-Canada), 10 pp.

Mackenzie, Hugh, and Jim Stanford (2008). *A Living Wage for Toronto* (Ottawa: Canadian Centre for Policy Alternatives), 28 pp.

Stanford, Jim, and Pat Conroy (2007). *The Potential Employment Impacts of an Australia-China Free Trade Agreement* (Sydney: Australian Manufacturing Workers Union), 44 pp.

Poon, Daniel, and Jim Stanford (2006). *Employment Implications of Trade Liberalization with East Asia* (Toronto: CAW-Canada), 33 pp.

Stanford, Jim (2000). "A Success Story: Canadian Productivity Performance in Auto Assembly," Conference Proceedings, Conference on the Canada-U.S. Manufacturing Productivity Gap (Ottawa: Centre for the Study of Living Standards).

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Stanford, Jim (1996). *The Macroeconomics of Cutbacks* (Ottawa: Canadian Centre for Policy Alternatives), 22 pp.

Stanford, James (1993). *The Economic Impact of North American Free Trade: A Three Country General Equilibrium Model with Real-World Assumptions* (Ottawa: Canadian Centre for Policy Alternatives), 53 pp.

Stanford, Jim, Christine Elwell and Scott Sinclair (1993). *Social Dumping: An Empirical and Institutional Investigation* (Ottawa: Canadian Centre for Policy Alternatives), 38 pp.

Stanford, Jim (1991). *Going South: Cheap Labour as an Unfair Subsidy in North American*

Free Trade (Ottawa: Canadian Centre for Policy Alternatives), 44 pp.

12.2 Book Reviews:

Stanford, Jim (2014). Review of *Autonomous State: The Struggle for a Canadian Car Industry from OPEC to Free Trade*, by Dimitry Anastakis, in *Canadian Journal of Political Science* 47(1), pp. 204-207.

Stanford, Jim (2011). Review of *The Economics Anti-Textbook: A Critical Thinker's Guide to Micro-Economics*, by Rod Hill and Tony Myatt, in *Labour/Le Travail* 68 (Autumn), pp. 249-252.

Stanford, Jim (2008). Review of *The State of Working America 2006/07* and Related Books, in *Review of Radical Political Economics* 40(2), pp. 239-243.

Stanford, Jim (2005). Review of *Corporate Governance in Global Capital Markets*, ed. by Janis Sarra, in *Labour/Le Travail*, 56, pp. 304-307.

Stanford, Jim (2004). Review of *Minimum Wages in Canada: A Statistical Portrait with Policy Implications*, by Ken Battle, in *Canadian Review of Social Policy* (54), pp. 151-153.

Stanford, Jim (2001). Review of *Sharing the Work, Sparing the Planet: Work Time, Consumption and Ecology*, by Anders Hayden, in *Labour/Le Travail* 48 (Fall), pp. 326-329.

12.3 Book Chapters:

Stanford, Jim (2013). "The Failure of Corporate Tax Cuts to Stimulate Business Investment Spending," in Richard Swift, ed., *The Great Revenue Robbery* (Toronto: Between the Lines), pp. 66-83.

Stanford, Jim (2011). "Canada's Productivity and Innovation Failures: Questioning the Conventional View," in *The Canada We Want in 2020: Towards a Strategic Policy Roadmap for the Federal Government* (Ottawa: Canada 2020), pp. 20-24.

Stanford, Jim (2008). "Backsliding: Manufacturing Decline and Resource Dependency," in Teresa Healy, ed., *The Harper Record* (Ottawa: Canadian Centre for Policy

- Alternatives), pp. 71-95.
- Stanford, Jim (2008). "Canada's Economic Structure: Back to the Future?", in Rudyard Griffiths (ed.), *Canada in 2020: Twenty Leading Voices Imagine Canada's Future* (Toronto: Key Porter), pp. 139-148.
- Stanford, Jim (2006). "CGE Models of North American Integration: Pushing the Envelope of Reality," in Bruce Campbell and Ed Finn, eds., *Living With Uncle: Canada-U.S. Relations in an Age of Empire* (Toronto: James Lorimer & Co.), pp. 151-182.
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- Stanford, Jim (1999). "Waiting For 'It': The Mechanics of Financial Boom and Bust," in Brian MacLean (ed.), *Out of Control: Canada in an Unstable Financial World* (Ottawa: Canadian Centre for Policy Alternatives and James Lorimer & Co.), pp. 43-66.
- Stanford, Jim (1999). "Why Global Financial Markets are so Unpredictable," in Lorne Nystrom (ed.), *Just Making Change* (Ottawa: Golden Dog).
- Stanford, Jim (1997). "Topsy-Turvy Economics," in Marilyn Spink (ed.), *Bad Work: A Review of Papers on 'Right-to-Work Laws* (Toronto: Centre for Research on Work and Society).
- Stanford, Jim (1997). "Disappearing Deficits and Incredible Interest Rates: Canada's Hollow Economic Victories," in Bruce Campbell and John Loxley (eds.), *The Alternative Federal Budget Papers* (Ottawa: Canadian Centre for Policy Alternatives).
- Stanford, Jim (1997). "Growth, Interest and Debt: Canada's Fall from the Fiscal Knife-Edge," in Bruce Campbell and John Loxley (eds.), *The Alternative Federal Budget Papers* (Ottawa: Canadian Centre for Policy Alternatives).
- Stanford, Jim (1994). "Economic Frameworks and Free Trade," in Jan Joel (ed.), *Building a Vision* (Regina: University of Regina).

Stanford, Jim (1993). "Investment," in Duncan Cameron and Mel Watkins (eds.), *Canada Under Free Trade* (Toronto: Lorimer).

12.4 Magazine Articles:

Stanford, Jim (2013). "Canada's Sluggish Labour Market and the Myth of the Skills Shortage," *Academic Matters: The Journal of Higher Education* (November).

Stanford, Jim (2011). "Foreign Exchange and the Canadian Dollar: A Primer," *Relay* 31, pp. 22-27.

Stanford, Jim (2010). "Financial Literacy: Getting Beyond the Markets," *Education Canada* 50(4), Fall, pp. 21-25.

Stanford, Jim (2006). "To Convert Economic Growth Into Well-being," *Policy Options* 27(4), pp. 34-38.

Stanford, Jim (2004). "The Dark Side of Debt Reduction," *Policy Options* 25(4), pp. 22-25.

Stanford, Jim (1991). "When the Ship Doesn't Come In," *Perception: Journal of the Canadian Council on Social Development*, Winter, pp. 28-31.

12.5 Popular Economics Writing and Commentary

I have written hundreds of shorter economic articles and commentaries in a range of outlets, including major newspapers, specialist magazines, electronic media, blogs, and other platforms.

Since 2000 I have been a regular economics columnist for the *Globe and Mail* newspaper, Canada's most prominent daily newspaper. I have written economic commentary articles for numerous other newspapers, including the *Financial Times*, *New York Post*, *National Post*, *Ottawa Citizen*, and *Toronto Star*.

I am regularly sought for economic comment by mainstream print and broadcast media in Canada and internationally.

I appear regularly on broadcast media to discuss economic issues. For example, since

2007 I have been a regular member of the “Bottom Line” economics panel, which appears regularly as part of the flagship national news program on CBC television’s *The National* (Canada’s most-watched news program).

I am an active and effective participant in social media. My Twitter and Facebook accounts (@jimbostanford and Jimbo Stanford) have over 15,000 followers combined.

I contribute economic commentary to a variety of on-line platforms, including the *Progressive Economics Forum* and *Real World Economics Review* blog sites.

13. Conference Papers and Lectures:

13.1 Peer-Reviewed:

- Dec. 2016 “Theoretical and Historical Perspectives on the ‘Gig’ Economy.”
Society of Heterodox Economists, University of NSW, Sydney.
- March 2016 “When an Auto Industry Disappears:
Australia’s Experience and its Lessons for Canada.”
Automotive Policy Research Centre, King City, Ontario
- July 2015 “Industrial Policy in the Auto Industry:
National Interests, Regional Production, and Global Supply Chains.”
USyd/ASSA Workshop, University of Sydney, Australia
Industrial Policies in the Era of Globalisation and Financialisation
- June 2013 “The Stylized Facts and Economic Analysis of Foreign Direct Investment.”
Institute for Research in Public Policy Panel
Canadian Economics Association, Montreal
- June 2012 “Analytical Foundations of the Distinction Between the 1% and the 99%.”
Canadian Economics Association, Calgary
- Nov. 2011 “Financialization and the Business Strategies of Non-Financial
Corporations: The Case of Air Canada.”
International Confederation of Associations for Pluralism in Economics,
Third Global Congress, Amherst, Massachusetts

- May 2009 "Financialization, Production, and Ideology."
Fourth Annual CLPE Conference: Knowledge in Labour, Work & Action
York University, Toronto
- May 2009 "Financial Meltdown, Financial Recovery:
Does Bay Street Matter to Main Street at All?"
Canadian Economics Association, Toronto
- Dec. 2006 "Unions and Labour Market 'Flexibility': Beyond the Jargon."
Society of Heterodox Economists, University of NSW, Sydney
- Sept. 2004 "Controlling Pensions? Or Controlling Capital?"
Center for Economic Policy Analysis, New School for Social Research
- Aug. 2004 "Canada's Auto Industry: Smokestack Industry or High-Tech Winner?"
Canadian Association for Business Economics, Kingston, Ont.
- June 2004 "How Low Should We Go? Federal Debt Reduction in Canada."
Canadian Economics Association, Toronto
- May 2003 "Labour Market 'Flexibility' and Canada-U.S. Comparisons."
Canadian Economics Association, Ottawa
- May 2003 "Industrial Policy In An Era of Free Trade: What Isn't, and Is, Possible?"
Analytical Political Economy Conference, Trinity College, Hartford
- Nov. 2002 "Reform, Revolution and a Bottom Line That Has to Add Up."
International Symposium in Honour of John Loxley
University of Manitoba
- May 2002 "An 'Auto Pact' That's Perfectly Legal: A System of Taxes and Grants to
Promote Auto Investment and Production in Canada."
Canadian Economics Association, Calgary
- Nov. 2000 "Flexibility, Regulation and Demand:
International Labor Market Comparisons and the 'OECD Hypothesis'."
Centre for Economic Policy Analysis Seminar
New School for Social Research, New York

- Sept. 1998 "Canada's Paper Economy: What Does it Actually Do?"
Fifth Annual Economic Policy Conference
Laurentian University, Sudbury
- Mar. 1998 "The Dubious Economics of Debt Repayment."
Annual Policy Conference,
Canadian Association for Business Economics, Ottawa
- July 1996 "Openness With Equity: Regulating Labor Markets in an Open Economy."
Conference on Globalization and Progressive Economic Policy,
Economic Policy Institute, Washington DC
- Oct. 1993 "Socio-Economic Regimes and Economic Competitiveness."
Conference on New Directions in Analytical Political-Economy
University of Vermont
- Mar. 1993 "Alternative Approaches to Modeling Free Trade."
Eastern Economics Association, Washington DC
- Jan. 1994 "Socio-Economic Regimes and Economic Competitiveness."
Annual Meetings of the Allied Social Sciences Association, Boston
- Apr. 1995 "The Impact of Real Competitiveness on Monetary Policy
and Exchange Rates in an Open Economy."
Conference on Money, Financial Institutions, and Macroeconomics,
York University, Toronto
- June 1995 "Discipline, Insecurity, and Productivity."
7th Biennial Canadian Social Welfare Policy Conference,
University of British Columbia, Vancouver

13.2 Invited and Keynote Lectures:

- Sept. 2017 "Work and Inequality."
Keynote Address, T.J> Ryan Foundation Conference,
Queensland University of Technology, Brisbane

- Aug. 2017 "What's New About the Gig Economy, Anyway?"
Annual Employment Relations Keynote Lecture,
University of Western Australia, Perth
- Nov. 2016 "Theoretical and Historical Perspectives on the 'Gig' Economy."
Seminar Address, Dept. of Sociology, Macquarie University, Sydney
- Sept. 2015 "Evaluating the Economic Record of Post-War Prime Ministers."
Graduate Seminar, Dept. of Economics, McMaster University, Hamilton
- June 2015 "Economic Literacy and Social Justice."
Keynote Address, Ontario Social Justice Tribunals, Toronto
- May 2015 "Canada's Jobs Future: How to Sustain and Create More Good Jobs."
University Anniversary Conference, Trent University, Peterborough
- May 2015 "Margin of Manoeuvre in the New Generation of
Free-trade and Bilateral Investment Agreements."
Interuniversity Research Centre on Globalization and Work (CRIMT)
International Conference, HEC, Montreal
- Mar. 2015 "Economic Literacy: Beyond Supply and Demand."
Annual Bell Lecture, Carleton University, Ottawa
- Mar. 2015 "Resource-Driven Deindustrialization."
Seminar Series, Institute for Political Economy, Carleton University
- Aug. 2014 "Pension Risks and the 'Real' Economy."
Keynote Address, International Foundation of Employee Benefit Plans
Calgary
- May 2014 "Resource-Driven Deindustrialization:
Comparing the Canadian and Australian Experiences."
Economics Society of Australia, Sydney
- May 2014 "Financialization and the Behaviour of Non-Financial Corporations"
Dept. of Political Economy, University of Sydney

- May 2014 "The Theory and the Reality of Free Trade."
Keynote Address, Australian Fair Trade and Investment Network, Sydney
- Oct. 2013 "Supply, Demand, and Life:
Why Conventional Economics is So Wrong About Society."
Keynote Address, Canadian Association of American Studies
University of Waterloo, Kitchener
- Oct. 2013 "Labour Market Institutions and Inequality."
University of Toronto, School of Policy Studies, Toronto
- Oct. 2013 "The Economic Case for Collective Bargaining."
Keynote Address, Canadian Association of Counsel to Employers, Banff
- Apr. 2013 "Resource-Driven Deindustrialization:
What the Data Do and Do Not Prove."
Economics Dept., University of Ottawa, Ottawa
- Mar. 2013 "The Self-Defeating Economic Logic of Austerity."
The Jack and Kay Graham Memorial Lecture
Dept. of Economics & School of Labour Studies
McMaster University, Hamilton
- Feb. 2013 "The Theory and Reality of Free Trade."
Library of Parliament Seminar, House of Commons, Ottawa
- Feb. 2013 "Addressing Canada's Innovation Deficit:
Public, Private and Community."
Keynote Address, York University Inaugural Research Gala, Toronto
- Oct. 2012 "Union Renewal and Union Innovation in Canada."
Interuniversity Research Centre on Globalization and Work (CRIMT)
International Conference, HEC, Montreal
- June 2012 "The Economics, and the Ethics, of Pensions."
Pension and Benefits Section, Ontario Bar Association, Toronto

- Mar. 2012 "Canadian (Non)Exceptionalism: Crisis, Recovery, Austerity."
Center for Labour Management Relations, Ryerson University, Toronto
- Mar. 2012 "Wage-Cutting as Industrial Strategy."
Institute for Research on Public Policy, Toronto
- Feb. 2012 "European Free Trade & Canadian Deindustrialization: Deeper
Problems."
European Studies Network in Canada, Toronto
- Nov. 2011 "Financialization and Flying:
Air Canada's Post-Bankruptcy Business Strategy."
Department of Public Administration, Ryerson University, Toronto
- Nov. 2011 "The Ethics of Pensions."
The Ethics Centre, Toronto
- Sept. 2011 "Defined Benefit Pension Plans: Beyond the Accounting."
Association of Canadian Pension Managers, St. John's, Nfld.
- Aug. 2011 "Labour Costs and the Future of North America's Auto Industry."
Center for Automotive Research Management Briefing Seminar,
Grand Traverse, MI.
- June 2011 "Foreign Direct Investment and Labour Relations."
Interuniversity Network on Globalization and Work, Montreal
- June 2011 "Debt and Deficit in Context."
Canadian Economics Association Annual Conference, Ottawa
- Jan. 2011 "Lessons from the Global Automotive Crisis."
Automobility Seminar, Schulich School of Business
York University, Toronto
- Nov. 2010 "Ontario's Fiscal Challenges: Taking a 'Chill Pill'."
State of the Federation Conference, Mowat Centre
University of Toronto, Toronto

- Oct. 2010 "Out of Equilibrium: Impact of Canada-EU Free Trade in the Real World."
Canada-Europe Transatlantic Dialogue Conference
Carleton University, Ottawa
- June 2010 "Beware the 'Insurance Model' for Unemployment Benefits:
Cautionary Evidence from the Canadian Experience."
Dept. of Economics and Retirement Policy Research Centre
University of Auckland, New Zealand
- May 2010 "Globalization, Financial Crisis, and the Auto Industry:
The View from North America."
Dept. of Political Economy, University of Sydney, Australia
- Dec. 2009 "Perverse Manifestations of Globalization in Canada."
Ottawa Economics Association, Ottawa
- Aug. 2009 "Understanding the Economic Crisis:
The Importance of Training in Critical Economics"
Ted Wheelright Annual Lecture, Political Economy Program
University of Sydney
- June 2009 "Crisis, Recovery, and the Role of Government:
Is the Pendulum Swinging Back?"
Public Policy Forum, Ottawa
- May 2009 "Meltdown, and Beyond:
Opportunities (and Threats) for the Left in the Current Crisis."
Keynote Address, Canadian Dimension Annual Tribute Dinner, Ottawa
- May 2008 "The Resource Curse, Deindustrialization, and the Loonie:
Putting It All Together"
Canadian Economics Association Annual Conference, Vancouver
- Mar. 2008 "Unions in Tough Times: Preserving our Space, Building our Power."
Annual Sefton Memorial Lecture, Centre for Industrial Relations
University of Toronto
- Jan. 2008 "Building a Diversified, Value-Added Economy."

Competition Policy Review Panel, Toronto

- Jan. 2008 "The Loonie and Canadian Deindustrialization."
Public Policy Forum, Toronto
- Nov. 2007 "Sharp Curves Ahead: Canada's Auto Industry in Turbulent Times."
Toronto Association for Business Economics
- Aug. 2007 "Radical Economics and Social Change Movements:
Strengthening the Links Between Academics and Activists."
David M. Gordon Memorial Lecture
Union of Radical Political Economists, New York
- July 2007 "Labour's Incredible Shrinking Slice of the Economic Pie."
Labour Relations Association, Toronto
- June 2007 "International Dimensions of Labour Market 'Flexibility'"
School of Population Health
University of Melbourne, Australia
- May 2007 "Commodity Booms, Exchange Rates, and Deindustrialization"
Dept. of Economics
Monash University, Australia
- Oct. 2006 "The Canadian Labour Relations System:
History, Challenges and Trends."
Renmin University, Beijing
- May 2006 "Canada's Economy: Problems and Prospects."
Finance Canada Policy Seminar, Ottawa
- Mar. 2005 "Riding Labour's Roller-Coaster."
Dr. Jennifer Keck Lecture Series on Social Justice
Laurentian University, Sudbury
- Mar. 2005 "Canada's Industrial Structure: Why Is It Regressing, Is It a Problem, and
What Can We Do About It?"
John F. Graham Memorial Lecture

Dalhousie University, Dept. of Economics, Halifax

- Feb. 2005 "What's Next for Canada's Economy?"
Grain World Conference, Canadian Wheat Board, Winnipeg
- Sept. 2004 "Imagining Industrial Policy in a Neoliberal World."
Canadian Labour Congress Industrial Policy Conference, Ottawa
- June 2004 "Pension Fund 'Activism': Some Sober Second Thoughts."
Real Utopias Conference, University of Wisconsin, Madison
- June 2004 "Pension Funding and Demographics: The Sky Isn't Falling."
Conference de Montréal, Montreal
- May 2004 "Economics on the Edge:
Why Most Economists Love Globalization, and How to Change That."
Keynote Address, Topshee Conference, Antigonish, N.S.
- May 2004 "An Investment-Driven Capitalist Economy."
Seminar on Millennial Development and the Governance of
Social Reproduction, York University, Toronto
- Mar. 2004 "Is Economics an Addiction?"
King's University College, Social Justice & Peace Studies Lecture
London, Ont.
- Feb. 2004 "Canadian Competitiveness: Fact and Fiction."
CAN>WIN 2004 Conference, Toronto
- Oct. 2003 "Does Growth Matter? GDP and the Well-Being of Newfoundlanders."
Newfoundland & Labrador Federation of Labour Convention
Gander, Nfld.
- Oct. 2003 "Industrial Policy in an Era of Free Trade: What Isn't, and Is, Possible?"
Deep Integration Conference, York University, Toronto
- Aug. 2003 "The Global Airline Crisis: More Turbulence Ahead."
International Transport Federation Summer School, Port Elgin, Ont.

- June 2003 "Confessions of a Tax-Loving Economist."
Dept. of Finance Canada Annual Seminar, Ottawa
- June 2003 "Business Cycles and Labour Relations Over the Postwar Era."
Connections & Directions: Sharing Visions for Clinic Law, Hamilton
- May 2003 "Taking the First Step:
Climate Change, the Kyoto Protocol, and Canada's Economy."
University of Western Ontario Labour Law Conference, London, Ont.
- Mar. 2003 "Income Security, Labour Market 'Flexibility,' and Canada's Employment
Performance."
Canadian Council on Social Development, Ottawa
- Jan. 2003 "Bending Over Backwards: Labour Market Flexibility in the Real World."
Economics Department Seminar, Trent University, Peterborough
- Dec. 2002 "Jim Stanford's Most Excellent Day in the Free Market."
Canadian Conference on Unity, Sovereignty and Prosperity, Toronto
- Nov. 2002 "Bending Over Backwards: Labour Market Flexibility in the Real World."
Unemployed Help Centres Conference, Toronto
- Jan. 2002 "The Global Economy After September 11."
McMaster University, Hamilton, Ont.
- Nov. 2001 "Trade and Sovereignty After September 11: What's Really At Stake?"
Public Policy Forum Conference on the Canada-U.S. Border, Toronto
- Apr. 2001 "Enforcing Corporate Accountability in a Global Economy."
Canadian Corporate Accountability Commission, Toronto
- Mar. 2001 "Cut Your Nose to Spite Your Face:
The Long Run Implications of Tax Cuts."
Kingston Action Network Conference, Kingston, Ont.
- June 2000 "What Canadian Macroeconomists Learned from the 1990s."

President's Panel, Canadian Economics Association, Vancouver

- Apr. 2000 "Taming the Paper Boom."
Phyllis Clarke Memorial Lecture
Ryerson University, Toronto
- Mar. 2000 "Paul Martin's Tax Revolt."
School of Policy Studies, Queen's University
- Mar. 2000 "Investment, Real and Imagined."
Labour Studies Department, McMaster University
- Jan. 2000 "A Success Story: Canadian Productivity Performance in Auto Assembly."
Conference on the Canada-U.S. Manufacturing Productivity Gap,
Centre for the Study of Living Standards, Ottawa
- Jan. 2000 "Social-Democratic Policy and Economic Reality."
Meeting of the Allied Social Sciences Association, Boston
- Oct. 1999 "Fixed Investment and Capital Accumulation in Canada."
Toronto Association for Business Economics
- May 1999 "Economic Freedom (For the Rest of Us)."
Canadian Economics Association Annual Meetings, Toronto
- April 1999 "Canada's Labour Market Performance in International Context."
Conference on Structural Aspects of Canadian Unemployment,
Centre for the Study of Living Standards, Ottawa
- Dec. 1998 "Fixed Investment and Capital Accumulation in Canada."
Economics Department Seminar, Dalhousie University, Halifax
- Nov. 1998 "RRSPs and Reality."
Conference on Equality and the Democratic State,
Simon Fraser University, Vancouver
- Apr. 1997 "Is there a Risk Premium in Canadian Interest Rates?"
Economics Department Seminar, University of Manitoba, Winnipeg

- Mar. 1997 "Social Structures and Economic Mobility: What's Really at Stake?"
Conference in Memory of David M. Gordon,
New School for Social Research, Economics Department
- Feb. 1997 "The Micro and Macro Foundations of Labour Market Deregulation."
Economics Department Seminar, York University, Toronto
- Dec. 1996 "The Regulation and Deregulation of Labour Markets."
Conference on Law in the Public Interest,
Canadian Environmental Law Association, Toronto
- Nov. 1996 "Globalization and Canada's Auto Industry."
Seminar, Toronto Association of Business Economists
- May 1996 "The Economics of the 'Flexible' Labour Market."
Seminar, Association of Professional Economists of B.C., Vancouver
- Mar. 1995 "The Grim Economy."
Annual Economic Policy Conference, Laurentian University, Sudbury
- Apr. 1994 "Long-Run Constraints on Employment Policy in an Open Economy."
International Conference on Full Employment, University of Ottawa
- Nov. 1993 "Labor Standards and the NAFTA."
Economics Dept., American University, Washington DC

1 May 2017

Dr Jim Stanford
The Australia Institute
Endeavour House
Level 1, 1 Franklin Street
MANUKA ACT 2603

Via e-mail: Jim@tai.org.au

CONFIDENTIAL AND SUBJECT TO LEGAL PROFESSIONAL PRIVILEGE

Dear Dr Stanford

FOUR YEARLY REVIEW OF MODERN AWARDS – FAMILY FRIENDLY WORK ARRANGEMENTS

Background

The Australian Council of Trade Unions (**ACTU**) is the peak body for Australian unions, representing 46 affiliated unions and approximately 1.8 million working Australians and their families.

Under s 156 of the *Fair Work Act 2009* (Cth), the Fair Work Commission (**FWC**) must review all modern awards every four years (the four yearly review). As part of the current four yearly review, the ACTU has applied to the FWC to vary most modern awards to include a right for working parents and carers to work part-time or on reduced hours to accommodate their responsibilities as parents and/or carers, with a right to revert to their former working hours afterwards.

Engagement

We wish to engage you to:

1. Prepare a written report containing your expert opinion in relation to the matters set out below; and
2. If required, review any relevant material filed by the employer parties' and prepare any report in reply; and
3. Appear to give evidence at the hearing of the application before the Commission between 10 – 21 October 2017 (the exact time and date of your evidence is yet to be confirmed).

Duty

You are engaged by the ACTU to assist the Commission by providing your expert opinion in accordance with the terms of this and any other letter of instruction. Your overriding duty is to assist the Commission. You are not an advocate for the ACTU.

Enclosed with this letter is a copy of the Expert Evidence General Practice Note and the Harmonised Expert Witness Code of Conduct (which is at Annexure A of the Practice Note) published by the Federal Court of Australia. Although you are not formally bound by the Code, as a matter of good practice we intend to adopt the Federal Court Rules concerning the engagement of expert witnesses, and the terms of the Code that govern your conduct under this engagement. Please read this material carefully.

Relevant Material and Assumptions

You are briefed with the following material:

2. Federal Court of Australia Expert Evidence Practice Notes (CPN-EXPT)

The Harmonised Expert Witness Code of Conduct is at Annexure A of the Practice Note. You do not need to have regard to Annexure B.

3. Section 134(1) of the *Fair Work Act 2009* (Cth)

In determining the ACTU's application, the FWC is required to have regard to the modern awards objective in s 134(1) of the *Fair Work Act*. You are not required to address the statute in your report.

4. *Parental Leave Test Case 2005* (2005) 143 IR 245

The Question you are asked proceeds from a comment made by the Full Bench of the Australian Industrial Relations Commission (the precursor to the Fair Work Commission) in the *Parental Leave Test Case 2005* decision. A copy of the decision is included for your reference, and to place the quotation in the Question in context. You are not required to address any other comments of the AIRC in the *Parental Leave Test Case 2005* decision.

Request for Expert Opinion

You are requested to prepare a written report containing your expert opinion in response to the following Question.

In providing your response, please ensure you have considered and addressed each of the matters set out in Sections 2 and 3 of the Expert Witness Code of Conduct, and at paragraph 2.4 and Section 4 of the Practice Note.

Question

In the *Parental Leave Test Case 2005* (2005) 143 IR 245, the Full Bench of the Australian Industrial Relations Commission reviewed an application by the ACTU for an award provision which would entitle employees to work part-time in one or more periods from the birth of a

child until the child reached school age.

At [183], the Full Bench observed:

There is an absence of high quality evaluation data in relation to the business benefits associated with family friendly practices. However, the available data support the view that the introduction of family friendly initiatives can benefit business. For instance, such initiatives are associated with lower employee turnover [citation: See Dex, S, & Schebel, F, 1999, "Business Performance and Family-Friendly Policies", Journal of General Management, Vol. 24, No. 4]. But there is insufficient data to determine whether granting the ACTU claim would or would not provide a net benefit to business. (emphasis added).

Taking into account these observations, please provide a review and summary of the available research since 2004 about the nature and scope of the business benefits associated with family friendly work practices, and, to the extent possible, the order of magnitude of such benefits relative to any costs that may be associated with family friendly work practices.

You should include any comments or observations you feel are necessary to answer the question.

Report Format

Your expert report will be annexed to a brief witness statement setting out the qualifications and experience that establishes your expertise. You should attach a detailed curriculum vitae to your witness statement, along with this letter of instruction.

Your role is to assist the Commission by providing your expert opinion in accordance with this letter of instruction. Please address your report to the Fair Work Commission.

In order to ensure your report can be used easily at the hearing of this matter, we ask that you include the following matters in the report:

- (a) a brief summary of your opinion or opinions at the beginning of the report;
- (b) a glossary of any specialised terminology;
- (c) references to any literature or other materials cited in support of your opinions. Please use a uniform citation method throughout the report. If you use parenthetical referencing (Chicago-style citation), please provide pinpoint citations where applicable;
- (d) a bibliography;
- (e) numbered paragraphs and page numbers, and headings where appropriate; and
- (f) margins of at least 2.5 centimetres, and line spacing of at least 1.5 points, with 12 points between paragraphs;
- (g) at the conclusion of your report, please include a signed and dated declaration to the following effect:

I have made all the inquiries that I believe are desirable and appropriate and that no matters of significance that I regard as relevant have, to my knowledge, been withheld from the Commission.

Communications

Please note that all communications between you, the ACTU and its legal representatives can, on request, be provided to the employer organisations and the Commission. This includes any draft of your report, including your working notes.

If you have any questions, or wish to discuss further, please do not hesitate to contact Sophie Ismail on 03 9664 7218 or 0409 070 478 or sismail@actu.org.au.

Yours sincerely,

Sophie Ismail
Legal and Industrial Officer

Annexure JS-3

Expert Report of Dr. James Stanford

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Summary

1. The purpose of this report is to provide my expert opinion on the following question addressed by the ACTU, as part of its instruction letter to me (Annexure JS-2):

“[P]lease provide a review and summary of the available research since 2004 about the nature and scope of the business benefits associated with family friendly work practices, and, to the extent possible, the order of magnitude of such benefits relative to any costs that may be associated with family friendly work practices.”

2. To assist me in the preparation of this report, I retained the services of Ms. Alison Pennington, M.A., a graduate of political-economy from the University of Sydney, to conduct a review of recently published extant literature regarding the impacts on firm performance of family-friendly work practices. Ms. Pennington prepared an annotated bibliography of over 50 published sources, and she summarised the broad findings of her review in a summary statement. Ms. Pennington’s work is included within my report as Appendix A.
3. In addition to the research assistance provided by Ms. Pennington, my expert opinion is also based on my own further exploration of published literature, an analysis of the economic and labour market context of the ACTU’s proposal for Family Friendly Working Hours, and my analysis of the relative order of magnitude of the likely benefits and costs for business, and for the broader economy, of the ACTU’s proposal.
4. My report is organised according to the following structure. Part I provides my synopsis of published literature regarding the impact of family-friendly work practices on business performance and other economic indicators, drawing heavily on Ms. Pennington’s work as well as other literature. Part II discusses the economic context for considering policies to further promote family-friendly practices (including the right to flexible working hours), including trends in labour force participation by parents and other carers, the growth of part-time work and other forms of non-standard employment in the Australian context, and the employment practices of smaller businesses. Part III provides a discussion of the relative order of magnitude of the likely costs and benefits of implementing family-friendly working hours within workplaces. I summarise my findings in a Conclusion, which is followed by a complete bibliography of sources cited within the report. Ms. Pennington’s summary report and annotated bibliography are attached to my report as Appendix A.
5. Including articles directly reviewed and annotated in Ms. Pennington’s report, as well as other sources included in other literature reviews which have also been reviewed in this

report, a total of over 500 published sources from a wide range of scientific disciplines, and reflecting a wide range of methodological approaches, have been considered directly or indirectly in this report. I am satisfied that the quality and breadth of this research allows for robust conclusions regarding the impact of family-friendly work practices on the performance of employers.

6. The conclusion of my investigations can be summarised as follows. While it is not possible to formally quantify the costs and benefits of family-friendly working schedules for employers (in the form of a precise quantitative modeling exercise) as a result of inadequate data regarding the likely incidence and utilisation of such measures, a large and growing body of published international literature from a range of specific disciplines confirms that the benefits of these measures for firm performance are positive and significant. These benefits arise from a number of specific channels of causation, including:
 - a. Increased retention of existing workers.
 - b. Corresponding savings in recruitment, training, and placement costs for replacement workers.
 - c. Greater success in recruitment of new workers.
 - d. Increased attendance of employees.
 - e. Reduced costs for sick leave and other absences.
 - f. Reduced “presenteeism,” whereby workers are physically at work but unable to fully perform their duties.
 - g. Increased productivity (measured in output per hour of work) demonstrated by part-time workers and by those with a more sustainable work-life balance.
 - h. Improved staff morale and loyalty to the enterprise.

7. In addition to these benefits captured internally by specific employers, family-friendly working time arrangements have also been robustly found to contribute to broader, external economic and social benefits, including:
 - a. Improved labour force participation and employment by parents and other carers (especially women).
 - b. Improved labour force participation and employment by other members of carers’ families (including spouses).
 - c. Improved fit and matching between the skills and capabilities of workers and their jobs, and a reduction in underemployment and mismatch between workers’ skills and capabilities and the positions they occupy.

- d. Reduced costs for social security payments to families with caring responsibilities (by virtue of improved income opportunities for carers who are able to maintain employment).
 - e. Positive impacts on fiscal balances of governments, due both to reductions in social security payments and to income tax revenues generated from improved employment rates among carers.
8. In contrast, the potential costs to employers of implementing these types of measures clearly constitute a different, lower order of magnitude. Potential costs for employers of providing family-friendly working time arrangements include primarily:
- a. The cost of recruiting, training, and placing workers who must be hired to fill in for carers who reduce their hours.
 - b. Potential costs associated with the disemployment of those newly hired employees when the workers they are replacing return to their original hours.
 - c. Administration costs for establishing systems to receive and process employee requests for altered working hours arrangements in light of their caring responsibilities.
9. There is limited quantitative research regarding the precise magnitude of those potential costs for employers; what research there is, indicates the costs are modest. In many cases, a carer-employee's request for altered hours can be accommodated without any additional hiring (by re-allocating work or altering schedules for other existing employees, many of whom may appreciate the opportunity for more hours of work given widespread underemployment in the labour force), thus avoiding the potential costs listed in items 7(a) and 7(b) entirely.
10. Survey responses from employers who have implemented family-friendly flexibility in working hours confirm that few have found the measures to be onerous or to impose significant new costs. Most employers indicate general satisfaction with the measures, and many self-report improvements in attendance, retention, and productivity.
11. In a previous review of proposals for family-friendly working arrangements in 2004-05 (that included, among other proposed measures, a provision for a right to flexible working hours for carer-employees similar to the one under consideration in this inquiry), the Full Bench of the Australian Industrial Relations Commission expressed its concern that at that time, evidence regarding the potential benefits to employers of family-friendly arrangements, and their order of magnitude relative to potential costs, was incomplete and inadequate to provide sufficient confidence regarding the likely

implications of such measures on enterprises.¹ The Full Bench in particular referred to a 1999 review of relevant literature (Dex and Scheibl, 1999) which acknowledged significant gaps in the literature at that time regarding the impact of family-friendly working arrangements on firm performance. The literature published since that time, including that surveyed in this report, has addressed those gaps; the report of Ms. Pennington below (see especially pp. 120-1) catalogues the greater knowledge that has been accumulated about this subject since that initial Dex-Scheibl review. In my judgment, it can be concluded with considerably greater certainty today that employers, as well as employees, benefit from the provision of family-friendly working hours arrangements, than was the case at the time of that AIRC 2004-05 review.

12. Once again, it should be recognised that precise quantitative simulations of the benefits and costs to firms of implementing family-friendly working hours policies would be highly speculative and unreliable, due to lack of data regarding the specific incidence of caring responsibilities among employees, the likely utilisation of the proposed entitlement, and the manner in which management systems adapt to the new policies. Nevertheless I am confident, on the basis of this survey of an extensive and growing body of published literature, that the potential benefits to firms of implementing these measures are positive, and of a significantly higher order of magnitude than the likely costs. Indeed, in many cases it is likely the implementation of these measures would not impose any measurable incremental costs on employers at all.
13. In addition to the net benefits for firms which are likely positive, the external economic and social benefits from implementing these policies (including improved labour force participation and employment outcomes for carers, reduced social security payments, and positive fiscal effects for governments) are important and should also be considered in considering the proposed policies.

¹ Parental Leave Test Case (2005) 143 IR 245.

Glossary of Acronyms

CFWPs – caregiver-friendly workplace policies

FWAs – flexible workplace arrangements

FFWPs – family-friendly workplace practices

FWPs – flexible workplace practices

HPWPs – high-performance work practices

HPWS – high-performance work systems

HR – human resources

HRM – human resource management

SMEs – small and medium enterprises

WLB – work–life balance

WWP – women’s workforce participation

Part I: Review of Extant Literature

14. The annotated bibliography prepared to supplement this report by Ms. Alison Pennington (and attached as the Appendix) has surveyed and summarised over 50 published sources investigating the effects on business performance and other economic indicators of family-friendly working practices. Ms. Pennington has also provided a summary of the main findings of her survey.
15. Ms. Pennington's survey is organised into several sections, including: economic literature (relying mostly on formal quantitative analysis of data regarding firm performance indicators and statistical correlations with working hours arrangements); literature from the human resources management field (relying more on case studies and surveys of businesses and managers); insights from the gender economics field (which have examined the determinants of paid work participation by carers, particularly women); and government reports from Australia, the U.K., and Germany regarding the challenges of balancing paid work with caring responsibilities.
16. Ms. Pennington's conclusion, on review of this extensive research, is as follows:
"Overall, the extant research has shown that flexible work practices have a positive effect on firm performance, or at a minimum, a cost neutral impact." I concur with that conclusion.
17. In addition, our research has also benefited from the existence of other literature surveys and meta-surveys regarding the impacts of flexible working arrangements on firm performance, labour force participation, retention, productivity, and related outcomes. Five such comprehensive surveys were obtained in the course of preparing this expert submission,² and hence we have benefited from the additional perspective provided by those other surveys.
18. Including the literature referenced in those other surveys, this submission therefore consolidates the findings of a gross total of over 500 published works dealing with this broad topic.³
19. Ms. Pennington has also revisited an additional key published source (Dex and Scheibl, 1999) that was cited by the Australian Industrial Relations Commission in its 2004-05 inquiry into on this topic, to see how the general consensus of research in this field has

² These include Skinner and Chapman (2013), Yasbek (2004), Lero et al. (2009), Ireson et al. (2016), and Smeaton et al. (2014).

³ Since some published reports are included within more than one of these five literature surveys, the net total of distinct research reports considered by one or more of the surveys will be less than this gross total.

evolved in the 12 years since the Commission issued its decision in the *Parental Leave Test Case*.⁴ She notes that most of the outstanding research questions identified by Dex and Scheibl in their 1999 survey, have certainly been addressed in subsequent literature, including: findings from several countries, more detailed responses governing transition and administration measures, the evolution of employer attitudes, and the consistent replication of findings regarding the positive impact of family-friendly work practices on absenteeism and retention. To the extent that the Dex and Scheibl survey identified gaps in the published literature at that time regarding the impact of family-friendly work practices on firm performance, those gaps have been largely filled by the considerable and methodologically diverse literature which has appeared in the 18 years since.

20. The most germane and robust findings of the broad literature which we have surveyed are summarised below, organised into a number of specific topics.
21. Staff retention: One of the clearest demonstrated benefits of family-friendly working hours arrangements is improving retention and reducing turnover of staff who might otherwise sever entirely from their positions due to the perceived impossibility of balancing their paid work and caring duties. Strong evidence of a positive impact on retention is reported in many studies, including Haar (2004), Donnelly et al. (2012), Todd and Binns (2013), and the literature surveyed in Ireson et al. (2016). The Future of Work Institute (2012) reports a 10 percent increase in retention with the introduction of family-friendly hours flexibility. In Philmann and Dulopovici's (2004) research, 61 percent of SMEs reported higher retention. Surveying individual workers, Moen et al. (2011) found that 45 percent of workers under flexible hours systems reported a reduction in their intentions to sever.
22. Attendance: The literature is also clear that family-flexible hours arrangements have positive and measurable impacts on employee attendance. This finding is reported consistently in numerous studies and surveys, including Ireson et al. (2016), Smeaton et al. (2014), and Heywood and Miller (2015). The Council of Economic Advisors (U.S., 2010) estimates a 20 percent reduction in absenteeism under family-friendly flexibility in working hours.
23. Productivity gains: Numerous studies confirm that the introduction of family-friendly working hours is associated with increases in recorded productivity, for a range of reasons: better attendance, improved morale and engagement, and an apparent effect where part-time workers are observed to record higher hourly productivity than full-time counterparts (perhaps because they are striving to "fit" a given quantity of work into a shorter period of working time). References confirming this effect include Garner et

⁴ (2005) 143 IR 245.

al. (2013), Kunn-Nelson et al. (2013), Buddelmeyer et al. (2008), Hegewisch (2009), and numerous of the works surveyed in Ireson et al. (2016) and Smeaton et al. (2014). Pohlmann and Dulipovici (2004) report that the positive association between flexible hours and productivity is especially evident in SMEs, with one-third of smaller employers reporting productivity gains after the introduction of flexible working hours arrangements.

24. Recruitment: In addition to strong improvements in staff retention under flexible working hours arrangements, some research also indicates a smaller positive effect on the ability of firms with flexible hours to recruit new talent – presumably because of the appeal of such arrangements to potential new employees. This finding is documented in Ireson et al. (2016) and Smeaton et al. (2014). This finding is not as dramatic or robust as the afore-mentioned relationships between family-friendly working arrangements, staff retention, and staff attendance.
25. Women’s labour force participation: Much national and international research has recommended greater flexibility in working hours as one measure to boost Australia’s sub-par levels of female labour force participation; these include OECD (2011, 2017), PwC (2017a), Productivity Commission (2009, 2014, 2015), and Charlesworth et al. (2011). The Council of Economic Advisers (2010) finds this correlation to be very strong in U.S. data, as well. Argyrous et al. (2017) report very high levels of withdrawal from the labour force by new Australian mothers; close to one-third left the labour market after the birth of their first child. Measures to allow parents (and women in particular) to more sustainably combine parenting with paid work would help to address this problem and tap the economic potential of non-working parents.
26. Sharing of work within families: An interesting dimension of the impact of flexible working hours on labour supply is evidence indicating that work effort is reallocated among members of the same family in the presence or absence of flexible working hours. When men have access to flexible hours, the labour supply offered by their partners also tends to increase; this effect is documented by Argyrous et al. (2017), Charlesworth et al. (2011), and Productivity Commission (2014). Without family-friendly hours flexibility, women are more likely to drop out of paid work altogether, and their partners to work very long hours, and this further skews the distribution of domestic work within the family.
27. Underemployment and job mismatch: Published research indicates that without family-friendly flexibility in hours, more carer-employees (especially women) are compelled to quit full-time positions altogether, and seek replacement part-time work with other enterprises. This movement from one job to another, which would be unlikely in the

presence of family-friendly working arrangements, may impose a lasting cost through the resulting mismatch between the worker and their new position (in addition to shorter-run costs associated with this “churning”). Several studies document an association between absence of flexible hours and underemployment of women in positions which do not utilise their full working potential, including Argyrous et al. (2017), PwC (2017a), Connolly and Gregory (2008), and Smeaton et al. (2016).

28. Morale and engagement: The extant literature reports a very strong finding that access to flexible working hours has a clear effect on employee morale, happiness, and hence general level of engagement with the enterprise. This in turn will reinforce other benefits discussed above, including retention and productivity. Holmes (2011) reports strong evidence of improved employee engagement under flexible arrangements in half of all responding firms. Kollhofer and Anderson (2010), McNall et al. (2010), and Ireson et al. (2016) report similar findings. Bond and Gallinsky (2006) report improvements in morale under flexible working hours even for lower-wage entry-level employees.
29. Worker input and control: A related finding reported in several works is the importance of employee-centred flexibility, and stronger worker agency over working hours, to the success of flexibility initiatives. Flexibility can be implemented in different ways, for different reasons; as discussed further below, Australia’s labour market is already highly flexible (as evidenced by high rates of part-time and non-standard employment), but in most cases that flexibility reflects employer preferences and decisions, rather than employee preferences. Several studies have found that the positive impacts of flexibility on firm performance (including profitability, productivity, and sales) are contingent on workers having a reliable input to how flexibility is implemented and managed. A related concept is the distinction between “external” and “internal” flexibility, with the latter realised through more optimal use of existing staff resources, as distinct from the former’s reliance on entry and exit of employees. Lee and DeVoe (2012), Kleinknecht et al. (2006), Skinner and Chapman (2013), and Brough and O’Driscoll (2010) all highlight the importance of worker input and decision-making authority to the success for firms of flexible working arrangements.
30. Business and manager attitudes: Once businesses gain first-hand experience with family-friendly scheduling practices, the level of acceptance and support for these measures on the part of managers tends to increase steadily. That is the finding of several studies, including several focusing on the experience in the U.K. with the roll-out of family-friendly work arrangements there (see Department of Training and Innovation U.K. 2005; Department of Employment and Learning Northern Ireland 2010; and Sweet et al. 2017). The Department for Business Innovation and Skills (U.K., 2014)

found that only a small minority of responding managers (9 percent) viewed family-friendly measures negatively after their implementation.

31. Management quality: Research also finds that the success of flexible working policies is strongly correlated with measures of the general quality, skill, and capacity of management. Attitudes of management (especially front-line managers) to the new policies are essential to their successful implementation (Cooper and Baird 2015; Drummond and Stone 2014; Sweet et al. 2017). Many managers initially do not understand the new policies, nor how to most effectively implement them. Kroon et al. (2013) find that management awareness and knowledge is especially critical to the success of these initiatives for SMEs, given their typically less formal or bureaucratic management systems. The establishment of new management, planning, and information systems associated with statutory requirements for family-friendly flexibility can in essence force managers to implement more formal and effective planning mechanisms – and this can generate other, broader benefits for the firm (Arrowsmith, 2000). The spillover benefit of improved management practices is closely correlated with improvements in overall firm performance (Bloom et al., 2011). The correlation between family-friendly flexibility and the quality of management does not reveal the direction of causation; it is possible that firms with better managers are the ones that more readily and energetically implemented family-friendly policies in the first place, and this could account for the correlation between flexibility and firm performance. Nevertheless, the research indicates that if encouraging more managers to adopt family-friendly policies generates improvements in the overall quality of management practices, then the benefits of flexibility for firm performance will be enhanced accordingly.
32. Transition and administration costs: Research did not find evidence of onerous administrative costs associated with implementing and managing family-flexible working arrangements. Surveys of managers regarding explicit administration costs found that the direct expenses associated with receiving and processing requests for changes in working hours were trivial (Lambourne et al. 2008; Department for Business Innovation and Skills U.K. 2010; and Smeaton et al. 2016).
33. Small and medium-sized enterprises: It is sometimes suggested that smaller enterprises are less able to implement statutory requirements for family-friendly policies by virtue of their small size, limited management resources and capacities, and reduced capacity for internal reallocation of workers and tasks. However, the extant literature does not seem to confirm this view. Gilfillan (2015) finds that formal flexibility policies are indeed less common in SMEs; however, there is also evidence that flexibility is implemented through more informal mechanisms in SMEs, and hence that the incidence

of these practices is under-reported in formal surveys (Lero et al. 2009; Dex and Scheibl 2002). The flatter, less bureaucratic management structure of SMEs may also facilitate the adaptation to new scheduling practices. Given the closer relationships among people working in SMEs (often including family members), there may be greater ability to trade off and reallocate tasks, and to take additional measures to support the continuing employment of existing staff members despite the advent or expansion of caring responsibilities. Other studies documenting the benefits of flexible practices for SMEs include Drummond and Stone (2007), Gordon (2014), Kroon et al. (2013), Heywood and Miller (2015), and Gilfillan (2015).

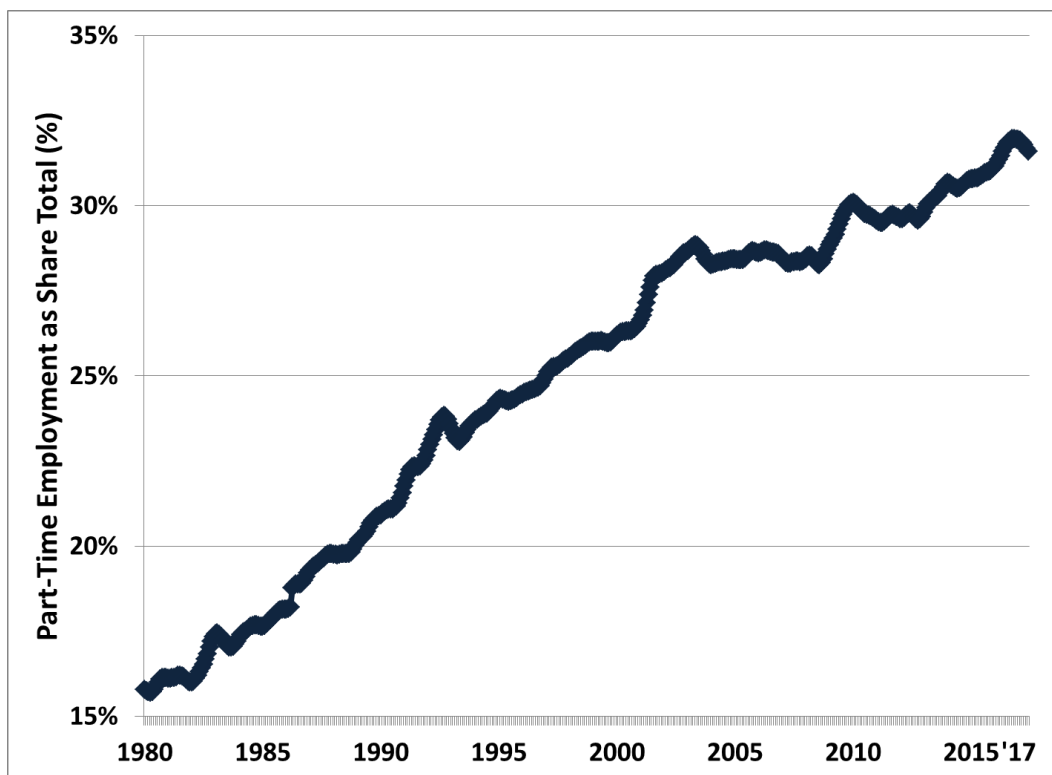
34. Impact on profitability and market value: Despite the difficulties in ascribing precise values to the benefits and costs of family-friendly work practices, several reports conclude that there is indeed a net bottom-line benefit to firms adopting these practices, as captured in enhanced profitability and/or market value. The Council of Economic Advisors (U.S., 2010) concludes the net impact on business profit margins is positive, driven primarily by realised reductions in absenteeism and turnover, and enhancements in productivity. Lero et al. (2009) find the same factors drive net reductions in labour costs and hence higher profit margins. Arthur (2003) finds a positive impact on market valuation of firms adopting family-friendly practices.
35. In conclusion, the extant literature regarding the impact of family-friendly flexible work and scheduling practices is large and growing in scope; diverse in its coverage (with respect to geography, industry, and size of firm); and broad in methodological approaches. The findings that family-friendly working hours policies have demonstrated benefits for firms in reducing turnover and enhancing retention; reducing absenteeism; and increasing realised hourly productivity, are consistent and in my view robust. Additional, potentially more modest benefits are also achievable in the areas of improved recruitment of new employees, staff morale and engagement, and positive spillover effects onto the general quality of management (with second-order benefits for firm performance). In my judgment, this substantial and growing literature confirms that these policies are not harmful for firm performance, and are likely associated with improved firm performance according to a number of indicators.

Part II: Economic and Labour Market Context

36. To consider the potential impact of family-friendly working hours policies on employment patterns in Australia, in light of these findings from international scholarly and policy literature, it is important to take account of some of the unique features of Australia's existing labour market. These features will shape the manner in which family-friendly policies would be implemented, and hence will influence the extent to which the benefits of organising work in a more sustainable and family-friendly way can be captured.

Expansion of Part-Time Employment

Figure 1
Part-Time Share of Total Employment

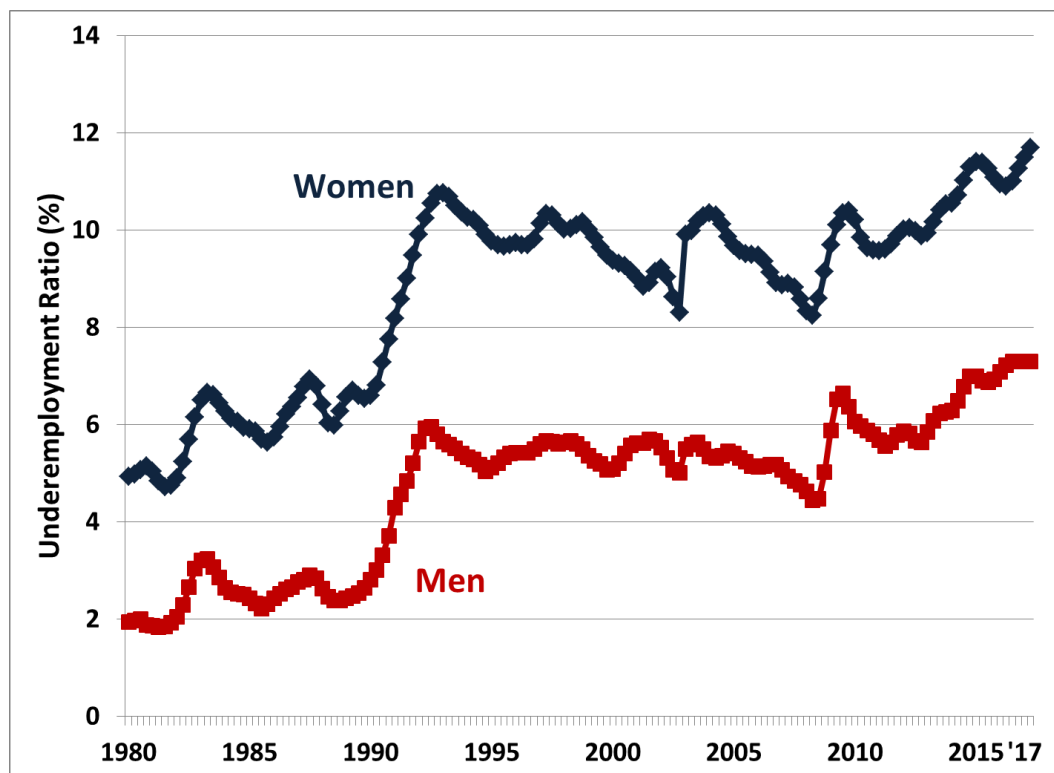


Source: Author's Calculations from ABS Catalogue 6202.0, "Labour Force, Australia," Table 1; trend data.

37. Australia's labour force has seen a dramatic expansion in the incidence of part-time work over the last generation. As indicated in Figure 1, the proportion of part-time jobs, as a share of total employment, has doubled since 1980, and now stands at about 32 percent of all work (or close to one in three positions). This represents a fairly steady

trend, although the growth in part-time work was arrested during the peak employment conditions of the mid-2000s economic expansion; there was no growth in part-time incidence between 2002 and 2008. However, with the onset of the Global Financial Crisis and the resulting weakening of labour demand conditions, the previous trend reasserted itself. This pattern indicates that the expansion in part-time work reflects overall weakness of labour market conditions, not just the preferences of workers: when labour market demand conditions are strong, workers are willing and able to request and attain full-time work. Women are much more likely to be engaged in part-time work than men: 47 percent of female employment at present is part-time work, compared to 18 percent of male employment (author’s calculations from ABS Catalogue 6202.0, “Labour Force, Australia,” Table 1).

Figure 2
Underemployment Ratios by Gender, Australia, 1980-2017

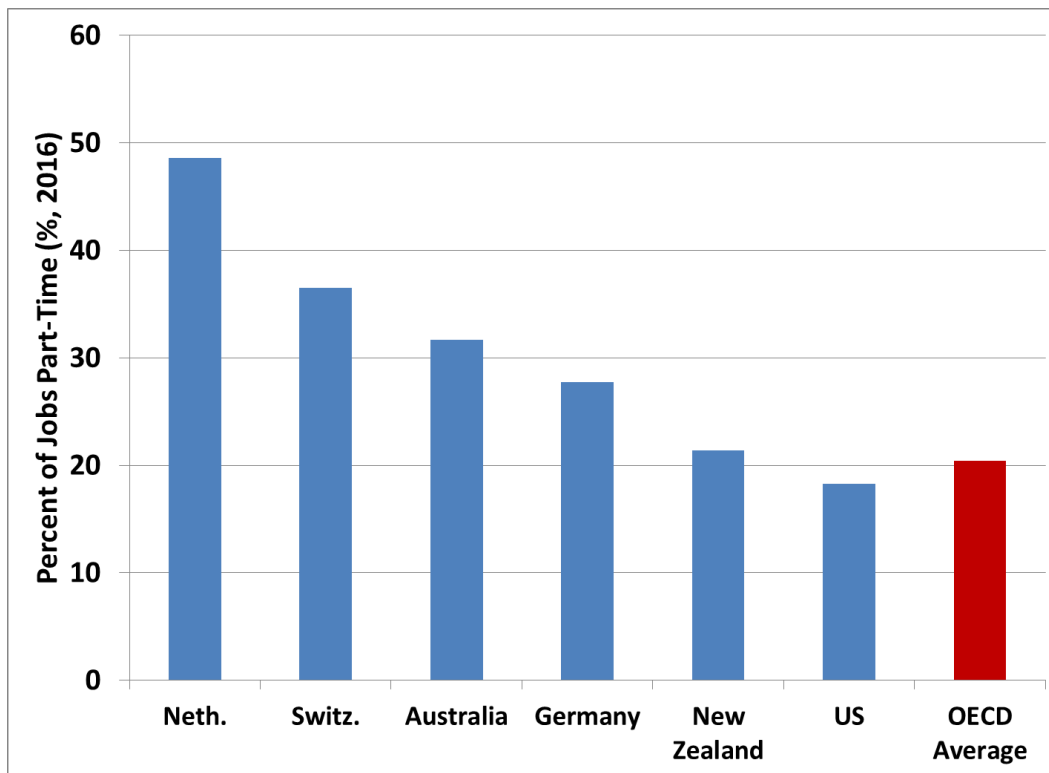


Source: ABS Catalogue 6202.0, “Labour Force, Australia,” Table 22, trend data.

38. Another indicator that much part-time work at present reflects the preferences of employers more than the preferences of workers, is the high incidence of underemployment – defined as the proportion of employees who would like to work more hours than they do. As indicated in Figure 2, underemployment ratios have increased substantially over the past decade, and now stand at all-time highs for both

genders. Women experience higher underemployment (about 12 percent of all employed women would like to work more hours) than men (over 7 percent); this is not surprising given the greater incidence of part-time work among women.

Figure 3
Part-Time Employment in OECD Countries



Source: OECD Employment and Labour Market Statistics, national definitions.

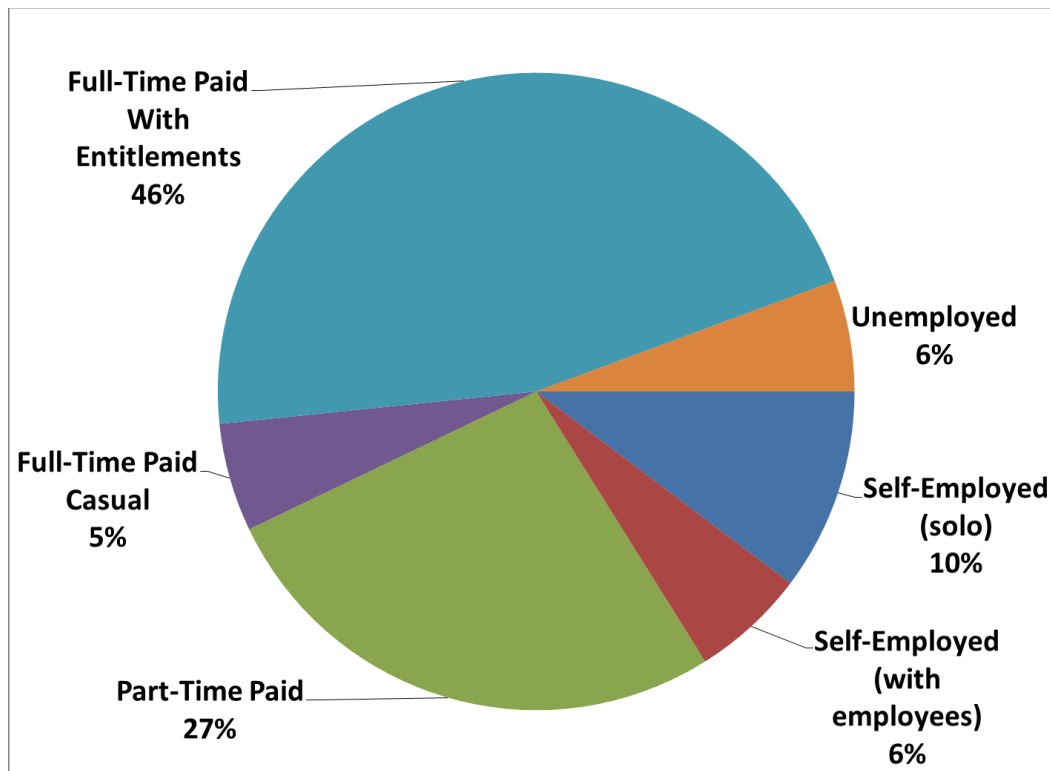
39. Australia's unusual reliance on part-time work is also visible in international comparative data. Figure 3 illustrates international experience with part-time work in a selection of OECD economies, and for the OECD as a whole. Australia's part-time share of total employment is the third highest of any industrial country, after the Netherlands and Switzerland, and is more than half-again higher than the average for all OECD economies. Moreover, the direct comparison to part-time rates of employment in central European economies is somewhat misleading. In countries like Netherlands, Switzerland, and Germany, part-time work has been encouraged and supported with tailored social and fiscal programs (including access to generous supplementary benefits and entitlements for part-time workers), as part of a particular model of social policy aimed at relying on stay-at-home parents (and primarily mothers) to provide the bulk of early-childhood care. In Australia's case the expansion of part-time work has occurred without such a supportive policy context, and instead can be seen to reflect the

unplanned and individualised efforts of working people to find paying work despite unfavourable labour demand conditions – all in the absence of a consistent framework of family-friendly labour and social policies.

Expansion of Other Forms of Non-Standard or “Flexible” Employment

40. Part-time work is not the only manifestation of the shift away from traditional permanent full-time work in Australia’s labour market. To the contrary, there has been a clear expansion of various other forms of non-standard, insecure, and “flexible” employment. Employers are finding alternative ways of hiring labour in order to minimise their exposure to costs and risks associated with permanent employment, and more fluidly adjust employment to fluctuations in business activity or sales. Other forms of non-standard employment that have become very common in Australia include casual, temporary or time-limited positions; labour hire or other externally-sourced workers; the wider use of independent contractors; other forms of small-scale self-employment (whereby people perform work on their own account, in most cases without any employees of their own, and often without incorporating as a business); and workers hired through on-line digital platforms.
41. In this context, the request by workers to be employed on something other than a “standard” full-time schedule cannot be seen as unusual or onerous. In fact, the majority of Australia’s labour force now works outside of the structures of a traditional permanent full-time position. Figure 4 disaggregates Australia’s labour force (as of mid-2016, most recent data available) into different categories of employment.
42. Across the labour force as a whole, only 46 percent of workers occupied a permanent full-time paid position with the usual entitlements (such as holiday leave and sick pay). 16 percent of workers were self-employed, about two-thirds working on their own behalf (with no other employees). 27 percent were paid employees working on a part-time basis. The reality is that modern work in Australia has evolved to embody a wide range of different arrangements. There is no longer any typical “template” for work.

Figure 4
Employment by Form, Australia, August 2016

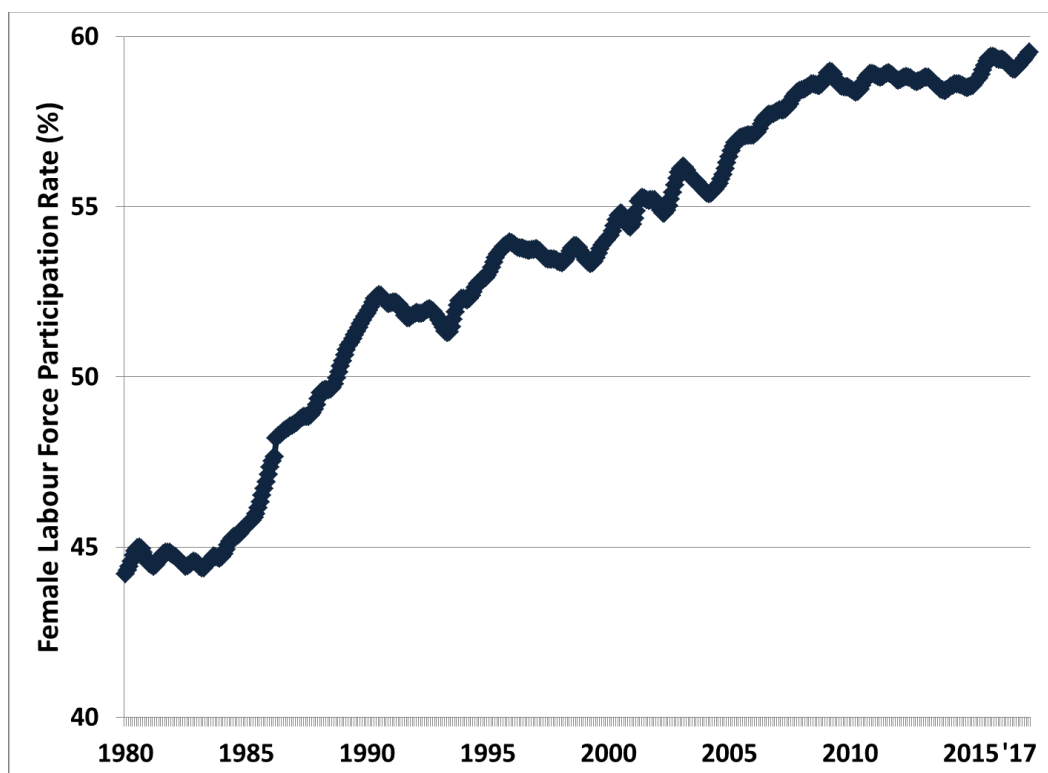


Source: Author's calculations from ABS Catalogue 6333.0, "Characteristics of Employment, Australia."

Trends in Women's Labour Force Participation

43. After experiencing a steady and dramatic expansion through most of the period since the 1970s, female labour force participation in Australia has stagnated in the decade since the onset of the Global Financial Crisis in 2007 (Figure 5). This plateauing of participation has been experienced despite the continuing evolution of cultural and social attitudes (according to which the vast majority of young women now expect to engage in paying work), and reflects several factors – including prolonged weakness in labour demand conditions since the GFC, and the absence of affordable child care and other supports for working mothers.

Figure 5
Female Labour Force Participation, 1980-2017

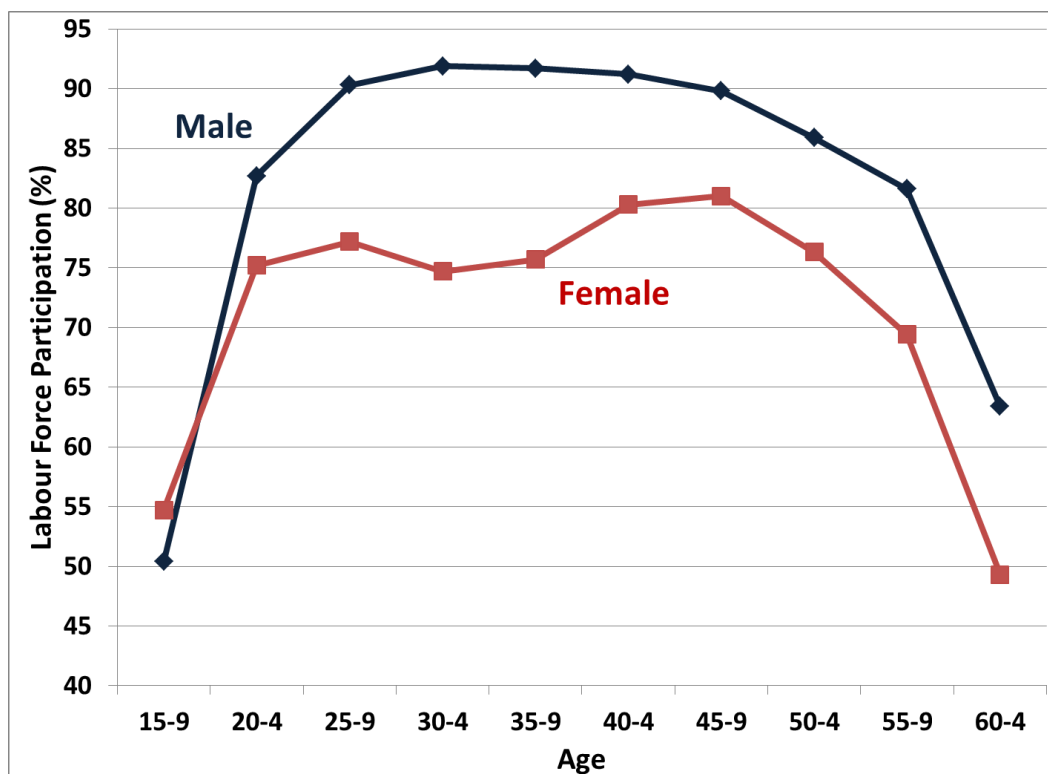


Source: ABS Catalogue 6202.0, “Labour Force, Australia,” Table 1, trend data.

44. If women’s labour force participation over the last decade had continued to grow at the same rate it achieved in the previous decade (that is, from 1997 through 2007), it would have reached a level of 62.4 percent by mid-2017 – almost 2.5 percentage points higher than the actual level. That would still represent a lower participation rate than is experienced in many other advanced industrial economies (including northern and continental Europe, Canada, and New Zealand). That would represent an increment to the female labour force of some 285,000 people compared to actual recorded levels; at normal employment rates and productivity levels, the paid work effort of those additional women workers would add an estimated \$40 billion per year to Australian GDP (using 2016 actual GDP per employee as the benchmark; author’s calculations from ABS Catalogues 5206.0 “Australian National Accounts: National Income, Expenditure and Product,” Table 3 and 6202.0 Table 1). Those additional women workers would also add around \$12 billion per year to government revenues (based simply on the existing revenue-to-GDP ratio, equal to approximately 30 percent). This underlines the macroeconomic and fiscal benefits that could be attained as part of a comprehensive effort to boost female labour force participation and employment. International organisations (such as the OECD, 2017) have also recognised the

importance of boosting female labour force participation for enhancing Australia’s future economic, social and fiscal progress.

Figure 6
Labour Force Participation by Gender by Age



Source: ABS Catalogue 6291.0.55.001, “Labour Force, Australia” Detailed,” Table 1.

45. The relationship between women’s lower labour force participation and their unpaid caring responsibilities (and parenthood in particular) is confirmed by an analysis of the relationship between participation and age. Figure 6 shows how participation varies over the 15-65 age range for both men and women (in five-year blocks). For both genders, participation increases as people enter prime working age. But women’s labour force participation then levels off and declines over the 25-40-year age range – corresponding to prime parenting years. Participation then partially rebounds, reaching its peak level (of over 80 percent) for women in their late 40s (15 years after male participation peaks). Other published research (eg. Breunig et al., 2011; Austen and Ong, 2009; Connolly and Gregory, 2008) has linked the weak participation of women in these prime parenting years to the lack of flexible work arrangements, the lack of affordable child care, and related factors.

Figure 7
Prime-Age Female Labour Force Participation, OECD Countries, 2016



Source: Author's calculations from OECD Employment Outlook, Table B.

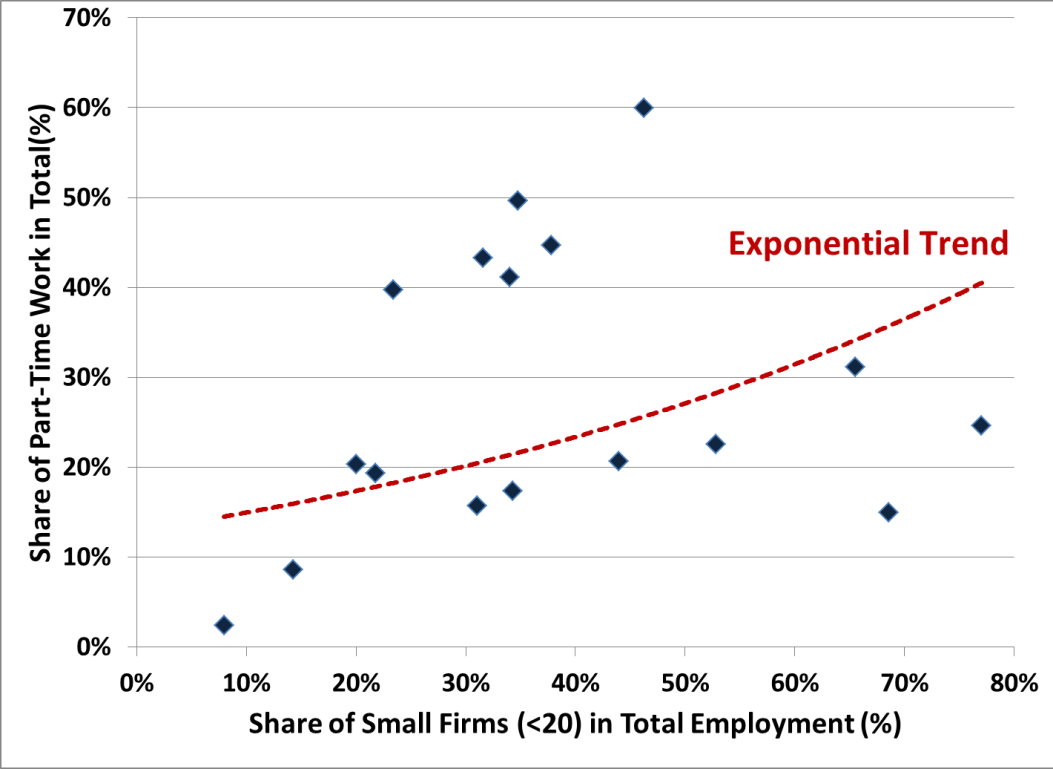
46. Australia's underperformance in women's labour force participation is further confirmed with reference to international labour force data as compiled by the OECD. Figure 7 illustrates comparative participation rates for the prime-age cohort (aged 25 through 54) of women workers, an age bracket which includes the bulk of parents of young children. Australia ranks poorly in this comparison: 26th out of the 35 member countries in the OECD, and well below the unweighted average of all countries. This is especially surprising given the otherwise liberal social attitudes which prevail in Australia (in contrast to some other OECD economies, such as those in southern Europe, where more traditional views regarding the paid work activity of women still prevail). Australia's untapped potential female labour force represents a significant economic opportunity, but experience has shown that appropriate supports must be in place for women workers to make their fullest contribution to the economic well-being of both their own families and the national economy.

Small and Medium-Sized Enterprises and the Labour Market

47. One concern that is often expressed regarding the application of benchmark labour standards (whether embodied in Modern Awards, the National Employment Standards, or other instruments) is the concern that these standards are harder for smaller enterprises to achieve. The assumption is that smaller firms have fewer resources, less ability to reallocate labour, and constrained management skills and capacities. In this regard, it is useful to consider how Australian small and medium-sized enterprises today are organising employment practices.
48. Small enterprises (with under 20 workers in total) account for 45 percent of total employment in Australia (author's calculations from ABS Catalogue 8155.0, "Australian Industry"), or almost one-half of all positions. Medium-sized enterprises (between 20 and 200 workers in total) account for another 23 percent. Together, then, these two categories of small and medium-sized workplaces account for over two-thirds of all employment. Hence the preceding trends in non-standard employment (including the growth of part-time employment, and the increasing reliance on other non-standard forms of employment) will necessarily have been experienced widely among small and medium-sized firms, as well as among large employers. Non-standard employment practices, in other words, are already very common among SMEs.
49. Moreover, there is some evidence that SMEs are more likely than larger employers to be already availing themselves of access to these more "flexible," non-standard forms of employment. This is true in part by definition, since some of the non-standard forms of employment discussed above (including independent contractors and own-account self-employed positions) are necessarily associated with small businesses. The sectoral distribution of part-time work (with the highest concentrations found in sectors, such as hospitality services and retail, in which smaller firms are predominant) also attests to the reality that small businesses are already utilising part-time work to a disproportionate degree. Figure 8, for example, compares the prevalence of part-time work by sector (excluding agriculture and financial services, for which no firm size data was available), with the proportion of total employment accounted for by very small firms (under 20 workers). There is a clear positive correlation between the two variables, confirming that industries in which small firms are especially important, are more likely to rely on part-time labour. So while direct data on part-time and non-standard employment by firm size are not available, these indirect correlations indicate that small businesses are already utilising these practices vary widely. If part-time work and other non-standard job structures are already common (and presumably advantageous) for small employers in the current economy, it is unlikely that providing some reciprocity in decision-making

power over flexible work practices could somehow impose a major economic or administrative burden; to a large extent, they are already utilising these practices.

Figure 8
Firm Size and Incidence of Part-Time Work, by Sector, Australia



Source: Author’s calculations from ABS Catalogues 6291.0.55.003, “Labour Force, Australia: Detailed, Quarterly,” and 8155.0, “Australian Industry.”

50. The correlation between firm size and the prevalence of non-standard employment is important for considering the implications of providing a right to flexible working hours to carer-employees. Since small firms are already disproportionately likely to rely on part-time work (and other non-standard job forms), it may be that these firms are actually *better* positioned to meet the needs of their employees for flexible working arrangements that are compatible with their caring responsibilities. (There are other reasons why family-flexible arrangements may be more successful in smaller workplaces, as noted in the literature review above.)

Part III: Economic Costs and Benefits, Order of Magnitude

51. The final dimension of the ACTU's instructions to me requests that I compare the broad orders of magnitude of the respective costs and benefits of family-friendly working hours for firms. The literature review summarised in Part I above identified several categories of these potential benefits and costs. They are summarised respectively below.

Firm-Level Benefits of the Right to Family-Friendly Hours:

- a. *Increased retention of existing workers.* By providing carer-employees with better opportunity to redefine their hours of work to allow them to balance paid work with caring responsibilities at home, the possibility that they will be able to continue in that position after taking on new caring responsibilities is enhanced. Without this flexibility, the likelihood that they will sever from that position is higher. This allows the employer to continue to benefit from the accumulated experience, human capital (including firm-specific human capital), and commitment of the carer-employee.
- b. *Corresponding savings in recruitment, training, and placement costs for replacement workers.* In addition to the positive economic benefits generated by the carer-employee who maintains their position, increased retention also benefits the employer by avoiding the myriad of expenses (and associated time) associated with replacing that worker if they should sever. Under reasonable assumptions, the cost to employers of replacing a single worker (including advertising, interviewing, hiring, training, and ramping-up) can easily reach \$20,000.⁵
- c. *Greater success in recruitment of new workers.* It is not just the existing workforce of a firm that is more likely to stay in their jobs thanks to the availability, when needed, of family-friendly working hours arrangements. The feature could also be valuable in enhancing the prospects for the firm to recruit other employees (including, if needed, to fill part-time job openings created as a result of *other* employees exercising their right to family-friendly hours). Knowing that an employer is amenable to organising working hours in a manner which facilitates a sustainable balance between work and home responsibilities, may enhance the firm's success rate in recruitment.
- d. *Increased attendance of employees.* The impact of caring responsibilities on participation in work, in the absence of suitably supportive and flexible working arrangements, is not limited solely to an enhanced risk of severance for affected employees. The unsustainability of a

⁵ See, for example, the recruitment cost calculator provided by Drake Personnel at <https://au.drakeintl.com/hr-news/cost-of-turnover-calculator.aspx#result>.

work-care “juggling” act is also experienced incrementally through reduced attendance of employees who are struggling to maintain their jobs while fulfilling their caring responsibilities. The research surveyed in Part I and the Appendix confirm a clear correlation between access to flexible working arrangements and higher attendance.

- e. *Reduced costs for sick leave and other absences.* The benefits of increased attendance are reflected not only in the productivity attained by workers who are present. Another set of benefits captured by the firm reflects reduced expenses for sick pay, other paid leaves, and even the administrative and fill-in costs associated with unpaid leaves. One week of avoided sick leave or other paid leave for one employee, evaluated at the level of average weekly earnings in Australia, saves a typical employer approximately \$1165.⁶ Numerous studies have confirmed the significant cost of absenteeism to Australian employers and the aggregate economy;⁷ even incremental reductions in absenteeism thus hold the potential to generate significant benefits.
- f. *Reduced “presenteeism,” whereby workers are physically at work but unable to fully perform their duties.* In many cases, perhaps having exhausted their entitlement to paid leave, over-stretched employees will come to work despite being unable (for reasons of health, fatigue, or mental stress) to fulfil their normal responsibilities; alternatively, work time may be disrupted by the employee’s efforts to manage challenges in home life from the workplace (through phone calls, appointments, and other intrusions). The loss of concentration and productivity is a potentially significant hidden cost of the failure of workplaces to attain sustainable family-friendly working arrangements.⁸ For example, evaluated at average levels of labour productivity, a single week during which a full-time employee performs their duties at only half-productivity is equivalent to the loss of \$1700 in lost productivity.⁹
- g. *Increased productivity (measured in output per hour of work) demonstrated by part-time workers and by those with a more sustainable work-life balance.* Research cited in Part I and the Appendix provide evidence that hourly productivity in part-time jobs is actually higher than in full-time jobs – all the more so if the part-time arrangement is consistent with a strategy to achieve a sustainable balance with home and caring responsibilities. Carer-employees who know they will have the opportunity to fulfil their caring roles outside of

⁶ Calculated on the basis of ABS Catalogue 6302.0, “Average Weekly Earnings,” November 2016; includes part-time workers.

⁷ See for example AIG (2016) and Direct Health Solutions (2016); the latter estimates the cost of absenteeism at over \$3,600 per employee.

⁸ See, for example, Medibank (2011), which estimates the aggregate cost of “presenteeism” in Australia to exceed \$34 billion.

⁹ Assume 20 hours of lost productivity, valued at average value-added labour productivity in Australia of \$85 per hour (author’s calculations from ABS Catalogues 6202.0, “Labour Force, Australia,” Table 21, and 5206.0, “Australian National Accounts,” Table 3).

working hours, will be better able to contribute to the fullest of their potential while on the job. For example, Kunn-Nelson et al.'s (2013) finding that a 10 percentage point increase in the share of part-time workers within a firm increases average hourly productivity by 4.8 percent, would translate into improved output (over a 20-hour working week) of over \$4,000 per year per part-time worker (evaluated at average Australian hourly productivity levels).¹⁰

- h. *Improved staff morale and loyalty to the enterprise.* An employee whose all-round needs are recognised, respected, and supported by their employer, will tend to exhibit a greater level of loyalty, commitment, and reciprocity to the firm's goals and interests, than an employee whose work responsibilities are designed and enforced more rigidly and without adequate sensitivity to work-life balance considerations. This benefit will be captured in many ways, including improved productivity, retention, flexibility and effort, and problem-solving aptitude.

Firm-Level Costs Associated With the Right to Family-Friendly Hours:

52. Granting carer-employees the right to family-friendly working hours will impose some costs and responsibilities on employers, in addition to employers' ability to access the benefits catalogued above. The major costs which employers might feasibly encounter include:

- a. *The cost of recruiting, training, and placing workers who must be hired to fill in for carers who reduce their hours.* It is possible that employers might need to recruit new employees in order to fill vacancies resulting from the decision by carer-employees to invoke their right to family-friendly working hours. If a carer-employee opted to work half-time instead of full-time, for example, then the employer needs to mobilise labour to perform the other 20 hours of work per week. This may not entail new hiring: as indicated above, ABS data indicate that a large number of existing workers (especially those filling part-time jobs) would prefer more hours of work. It is possible, therefore, that the vacancy left by a carer-employee shifting to fewer hours, could be easily and quite costlessly offset by increased working hours on the part of other existing employees.¹¹ And since one of the benefits of family-friendly working hours is avoiding the cost of severance and replacement for carer-employees who are forced to quit their existing roles (due to lack of flexibility to balance caring responsibilities and paid work), it is quite possible that the employer would encounter those recruitment and replacement costs *even in the absence* of a right to family-friendly

¹⁰ Assume an increment to hourly productivity of 4.8 percent, experienced over one year at a 20-hour work week, compared to benchmark hourly productivity (author's calculations from ABS Catalogues 6202.0, "Labour Force, Australia," Table 21, and 5206.0, "Australian National Accounts," Table 3).

¹¹ For example, Hegewisch (2004) reported that most German firms which implemented requests for reduced hours from carer-employees did so without incremental hiring, instead relying on internal rationalisation and reallocation of work; only one-third of cases involved new hiring.

working hours for carer-employees. So while the costs of recruitment, training, and job placement can be significant (as indicated above), the net incremental incidence of this cost on employers may not be higher for employers in the presence of a right to family-friendly working hours, than in their absence. This is both because they are likely to incur recruitment and replacement costs anyway, and because there is a significant chance that the job vacancies created through workers exercising their rights to family-friendly working hours could be filled without new hiring. In addition, it is important to note the widespread use of part-time and other non-standard working time arrangements by employers in Australia, including especially by small and medium-sized enterprises. Since employers already widely utilise part-time and non-standard arrangements, the extension of some rights to decide over these arrangements to employees is not likely to impose a significant incremental burden.

- b. *Potential costs associated with the disemployment of incremental employees* (hired to fill vacancies left by reductions in working hours by carer-employees) if and when the workers they are replacing return to their original hours. The ACTU's proposal for a right to family-friendly hours would also entail a right to restore previous hours once the affected employee's caring responsibilities could again be managed in the context of the original working arrangement. This might then impose some costs on the employer to "undo" the incremental hiring that was required to fill those vacancies in the first place. The order of magnitude of these expenses, however, will be small, for several reasons. First, there is a significant possibility that job vacancies created by carer-employees exercising their right to family-friendly hours could be filled without new hiring (for the reasons explained in the preceding paragraph); hence, their return to normal hours would not result in disemployment. Second, any business experiences ongoing evolution of jobs and roles; an employee who proved themselves on temporary assignment filling in for the reduced hours of a carer-employee could potentially be reallocated to a different role within the firm. Finally, it is most likely that someone brought onto fill a replacement role in this capacity would be hired on a non-permanent (ie. time-limited or casual) basis, in which case their disemployment (if necessary) would be almost costless. For all these reasons, this category of cost on employers cannot be expected to be a significant burden.
- c. *Administration costs for establishing systems to receive and process employee requests for altered working hours arrangements in light of their caring responsibilities.* When employees have the right to family-friendly working hours, managers will have to establish administrative systems to facilitate that practice, including: information to employees about the right and how to access it; systems for receiving and processing requests for family-friendly hours adjustments; and other administrative duties required to facilitate the change in

hours by the carer-employee, and the reallocation of those hours to another employee.¹² These administrative expenses are modest, and could most likely be incorporated into normal management administration functions without incremental expense. Lambourne et al. (2008) and the Department for Business Innovation and Skills (U.K. 2010) reported administrative costs per request for flexible hours arrangements as less than the equivalent of \$150 (Aus.). Research compiled by Smeaton et al. (2016) indicated the consistent view of businesses that administration cost was not a deterrent to the implementation of family-friendly working time arrangements.

Comparison of Firm-Level Benefits and Costs:

53. Table 1 consolidates the preceding catalogue of firm-level costs and benefits associated with granting employees a right to family-friendly working hours, along with my judgment regarding the broad order of magnitude of those effects. As noted above, it is not possible to explicitly develop credible quantitative estimates of the overall incremental benefits and costs to firms arising from the extension of a right to family-friendly hours to employees. However, the literature is clear that there are a range of quantitative and qualitative benefits accruing to employers from arrangements that permit their employees to achieve a more sustainable and agreeable balance between work and home responsibilities, and also that the incremental costs to employers are moderate or even negligible. My broad judgment is that while the extension of this right constrains management decision-making power somewhat (by giving employees, not just the employer, some say in the utilisation of part-time and other flexible working hours arrangements that are already in widespread practice in Australia), this constraint will not impose significant costs on employers. To the contrary, it is highly likely that the net effects on employers of this shift will be positive.

Some employers may begrudge being compelled by statute to consider the requirements of their employees in formulating work schedules in their enterprises; they might find it more convenient to be able to continue to establish those schedules unilaterally (including the already-widespread use of part-time and other non-standard arrangements). Several of the studies surveyed above indicated that management quality is a significant determinant of whether workplace flexibility translates into improved firm performance or not;¹³ similarly, managers who relied solely or primarily on “external flexibility” (that is, the power to hire and fire) rather than “internal flexibility” (the capacity to allocate and reallocate work and workers within the firm), squander

¹² Incremental expenses for recruitment, training, and placement of a new employee who might be required to fill those hours, have already been discussed in point (a) above.

¹³ See, for example, Cooper and Baird, 2015; Drummond and Stone 2014; and Sweet et al. 2017.

opportunities to achieve lasting productivity and profitability gains.¹⁴ In this context, a statutory requirement that employers must respect the needs of their carer-employees for flexible working arrangements, in essence can serve as a prod to these managers to adopt practices that have been demonstrated to have superior outcomes for their businesses. Initially those managers may not welcome that prod, but in the end their businesses are likely to benefit from being compelled to manage their employees with a longer-run, more holistic perspective on their overall well-being.

54. In sum, my comparison of the broad order of magnitude of costs and benefits to firms of adopting family-friendly working hours flexibility, suggests that the benefits are potentially significant, while the costs are modest to negligible. In my judgment, it is quite probable that the introduction of these policies will provide a net benefit to firms, experienced especially through increased staff retention and attendance, and higher realised productivity.

Economy-Wide Benefits of Family-Friendly Working Hours:

55. In addition to these effects of establishing a right to family-flexible working hours within firms, there are broader economic and fiscal effects from this policy that should also be taken into account. As noted above, female labour force participation (especially during the core parenting years of age 25-40) has plateaued in recent years in Australia, and remains relatively low compared to other industrial countries.
56. There are many factors accounting for that underutilisation of the potential productive capacity of those with caring responsibilities: including relatively underdeveloped and expensive child care services, and a lack of other supporting policy measures. The absence in many workplaces of access to employee-centred flexibility in working hours¹⁵ has surely contributed to the relatively weak labour force participation of women. By assisting carers to maintain employment – even at a reduced number of hours – a statutory right to family-friendly hours could help Australia overcome that inferior labour market performance. With more favourable flexibility in hours, and stronger labour force participation, more carers will be able to maintain employment – generating output that contributes to GDP, incomes for their families, and a positive net fiscal impact on government (experienced both through increased tax revenues from the incremental income of carer-employees, and through a reduction in net transfer incomes that would otherwise be paid).

¹⁴ This finding was reported by Kleinknecht et al. 2006, and Heywood et al. 2011, among others.

¹⁵ As discussed above, working hours are already very flexible in Australia's labour market, but primarily to meet employer preferences rather than employees'.

| Table 1 | | | |
|---|--|---|---|
| Firm-Level Benefits and Costs of Family-Friendly Working Hours | | | |
| Incremental Benefits to Firms | | Incremental Costs to Firms | |
| <i>Benefit</i> | <i>Order of Magnitude</i> | <i>Cost</i> | <i>Order of Magnitude</i> |
| Retention of existing employees. | Potentially significant (firm retains existing workers and their accumulated human capital and job-specific experience). | Recruiting new employees to fill reduced hours for carer-employees. | Modest (but likely to be incurred anyway if carer-employee severs). |
| Avoided costs for recruitment, training, and placement of replacement employees. | Modest (avoided costs to hire replacement workers). | Cost of disemploying substitute workers when carer-employee returns to original hours. | Negligible. |
| Greater success in recruiting new employees (who see family-friendly flexibility as important). | Modest (greater ease in general recruitment efforts). | Administration costs to receive, process, and execute requests for family-friendly hours. | Negligible. |
| Improved attendance by carer-employees. | Potentially significant (greater work output). | | |
| Reduced sick leave and other leave expenses for carer-employees. | Potentially significant (avoided leave costs). | | |
| Reduced “presenteeism” by carer-employees. | Modest (greater productivity). | | |
| Improved productivity by carer-employees and other part-time employees. | Potentially significant (including spillover effect on other workers from larger share of part-time employees). | | |
| Improved staff morale and loyalty. | Modest (employees with a stable work-care balance will be more flexible and dedicated). | | |

57. For example, just a single carer who was allowed to continue working half-time (20 hours per week), instead of feeling compelled to sever completely from a full-time position, would make significant incremental contributions to output, income,¹⁶ and the net fiscal position of government in numerous ways, as indicated in Table 2. Incremental value-added by a worker staying on the job half-time (rather than severing completely) would equal over \$88,000 per year (at average productivity levels); incremental personal incomes would exceed \$37,000 per year (at average hourly wages); and incremental taxes paid and benefits avoided for government would equal over \$22,000 per year.
58. These significant external benefits from allowing a single worker to continue working half-time, aggregate into large sums when applied to the population of potential carer-employees. Consider that at present there are around 3 million families with dependents in Australia and at least one parent who is not employed (including 450,000 non-employed single parents, and 2.5 million two-parent families with dependents and at least one non-employed parent).¹⁷ Therefore, the output, income, and fiscal benefits described in Table 2 could be multiplied hundreds of thousands (or even millions) of times over, through policy measures which supported greater work activity by carer-employees. Hence the aggregate macroeconomic benefits of these policies would be measured in billions of dollars. For example, the successful placement of just 1 percent of existing non-employed parents (or about 30,000 people in total) into half-time work, evaluated at average productivity and wage levels, would generate \$2.6 billion in incremental value-added, \$1.1 billion in incremental personal income, and a potential net fiscal gain to government of \$650 million. Other published research confirms that the aggregate macroeconomic benefits from increased female labour force participation are substantial.¹⁸ Facilitating continued labour force participation, employment, and income generation on the part of carers generates benefits that are shared broadly throughout the economy.

¹⁶ As reported in Productivity Commission (2009, p. 5.4), the forgone lifetime earnings experienced by women workers as a result of typical fall-off in labour force participation are estimated to total over \$300,000 for a single child. Cassels et al. (2009) also estimate substantial gains in women's lifetime incomes and national GDP from increasing the tenure of women workers with their employers.

¹⁷ ABS Catalogue 6224.0.55.001, "Labour Force, Australia" Labour Force Status and Other Characteristics of Families."

¹⁸ Toohey et al. (2009) find that the engagement of non-employed mothers in paid work holds potential for the strongest GDP gains from a range of family-friendly work practices surveyed. Daley et al. (2012) estimate that lifting Australia's female labour force participation to match that experienced in Canada would boost national GDP by \$25 billion. See also Fortin et al. 2012.

Table 2
Macroeconomic and Fiscal Impacts of
Improved Employment Outcomes Among Carers

Incremental Output, Income, and Net Taxes for One Half-Time Carer-Employee:

| | |
|--|-------------|
| Continued employment due to family-friendly hours | 20 hrs/week |
| Incremental value-added per year (at average hourly productivity of \$85/hour) | \$88,400 |
| Incremental personal income (at average hourly wage rate of \$36/hour) | \$37,440 |
| Incremental tax revenue paid on marginal income (at 19% marginal rate) | \$7,114 |
| Incremental Parenting Payment/Newstart benefit potentially avoided (maximum benefit for single carer) ¹ | \$14,976 |
| Incremental change in net fiscal position of government (tax paid plus Parenting Payment/Newstart avoided) | \$22,090 |

Source: Author’s calculations from ABS Catalogues 6302.0, “Average Weekly Earnings,” Table 2, 6202.0, “Labour Force, Australia,” Tables 1 and 19, 5206.0, “Australian National Accounts,” Table 3, 6224.0.55.001, “Labour Force, Australia: Labour Force Status and Other Characteristics of Families,” Table 3, Denniss (2017), PwC Australia (2017b), and Department of Human Services (2017).

1. Equal to incremental income times the 40% benefit phase-out rate for carers; specific Parenting Payment/Newstart payments depend on individual and family income and asset tests.

Conclusion

59. In my review of the extant academic, policy, and business literature¹⁹ regarding the impact of family-friendly working arrangements on firm performance (including productivity, profitability, workforce stability, attendance, morale, and quality of management), I conclude that there are numerous potentially significant benefits to employers arising from the implementation of work schedules which allow employees to attain a better balance between their work duties and their caring responsibilities at home. Numerous inquiries, utilising a range of research methodologies and targeting a range of different study populations, have documented the positive outcomes of family-friendly hours arrangements on numerous indicators of firm performance. In preparing this report, we have directly and indirectly reviewed over 500 published works, from a range of disciplines; the general finding of the literature is that employers experience significant benefits, and modest direct costs, from these types of measures. While there are some costs to management associated with these provisions, those costs are of a lower order of magnitude than the benefits. Moreover, the most significant of the potential costs incurred by management through the right to family-friendly hours – namely, the expense of recruiting, training, and placing (if necessary) replacement workers to fill in for carer-employees who have opted to reduce their hours – is a cost that employers are likely to incur anyway even in the absence of a right to family-friendly hours (due to the increased likelihood that carer-employees will be compelled to sever from their current positions in the absence of access to flexible working hours). In my professional judgment, the ACTU’s proposal for a right to family-friendly hours for employees with documented caring responsibilities, would generate important benefits that would be shared, on a net basis, by employers. Moreover, that policy would also likely generate important economy-wide benefits: including improved labour force participation by carers, especially women; increased employment rates; higher aggregate GDP and incomes; and higher government tax revenues.

¹⁹ Including the literature review conducted by Ms. Alison Pennington.

Declaration

60. I have made all the inquiries that I believe are desirable and appropriate and that no matters of significance that I regard as relevant have, to my knowledge, been withheld from the Commission.

A handwritten signature in black ink, appearing to read "J. Stanford". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Signed:

Dr. James Stanford

September 4, 2017

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Appendix

Annotated Bibliography and Research Summary on the Benefits of Flexible and Family-Friendly Work Schedules for Employers

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Introduction

There is a growing body of academic and policy literature demonstrating the business case for flexible schedules and family-friendly workplace practices (FFWPs). Overall, the extant research has shown that flexible work practices have a positive effect on firm performance, or at a minimum, a cost neutral impact.

This literature survey summarises the findings of over 50 published works, and is organised into thematic sub-sections as follows: findings of the economic literature; findings of the human resources management literature; insights from gender economics research; government reports from Australia and other governments (especially the U.K. government, which has examined this set of issues in detail); and the findings of other literature reviews. The last section of the survey revisits the main findings of one work (Dex and Scheibl, 1999) which was cited in detail in the Commission's previous 2005 decision regarding family-friendly working arrangements, to ascertain how the consensus view of researchers regarding the impacts of these measures on workplaces and firms has evolved since then.

In the following pages, several of the more important themes emerging from the literature review are presented and summarised. Table 1 then provides a listing of all of the sources cited in the full survey, along with a short summary of their respective samples, methodologies, and findings. The full literature review is then presented, with annotations for each citation. A conclusion restates the major findings of this survey.

Economics Literature

The economics literature draws on larger, representative samples to study effects of flexible schedules on 'hard' measures such as firm profits, sales and labour productivity. Studies assessing profitability and shareholder value show the possibility that reputational benefit from work-life balance (WLB) policy provision can have some impact on shareholder value (Arthur 2003, Smeaton et al. 2014). Generally, however, the contemporary econometric studies show that the ability of firms to benefit from flexible work practices is contingent on the presence of good management and organisational strategy. Lee and DeVoe (2012) find that when implemented as an 'employee-centred' organisational strategy focused on employees' cooperation, participation and skills, flextime increases profits. Conversely, when implemented as an 'employer-centred' strategy focused on cost reduction, flextime negatively effects profits.

Other studies show that FFWPs in addition to favourable management practices can improve firm performance (Bloom et al. 2011). While not finding a direct FFWPs–profits link, Bloom et al. (2011) find no negative effect on profits, suggesting FFWPs pay for themselves. A study of firm competition, productivity, management practices and WLB outcomes found that competition raises management quality without reducing WLB (Bloom and van Reenan 2006). Well-managed firms were both more productive and offered better working conditions to

employees, suggesting the most successful firms work ‘smarter’ rather than harder. The HRM literature also evidences the importance of strong management and cooperative industrial relations, showing high mutual gains for firms and employees when flexible work practices are implemented in partnership (Whyman and Petrescu 2014).

A further angle in the economics literature is analysing the differential effects of ‘internal’ and ‘external’ flexibility on firm productivity, sales and employment growth. External flexibility is the adaptation of labour to business needs through easier hiring or dismissal, associated with higher turnover and low-trust labour relations. Internal flexibility emphasises qualitative changes in labour, such as re-training for new roles and fostering employee commitment. This angle is useful because it demonstrates the relatively better performance of secure employment types (significant to an argument against wage, skills and career penalties associated with mothers leaving employers and sectors to access part-time hours). Through a focus on qualitative investment in labour, internally flexible practices can also be seen as a proxy for investment in FFWPs. One 20-year cross-sector study of private sector firm labour productivity, sales and employment growth found that external flexibility undermined labour productivity growth (Kleinknecht et al. 2006). Firms with high staff turnover and firms with high shares of staff on temporary contracts did not realise any significant sales growth. Conversely, internal flexibility was significantly associated with higher sales growth and higher labour productivity. This suggests lower wage cost advantages to firms were evened out by losses on social capital. Another study found that use of FFWPs reduced firms’ use of temporary and agency workers (Heywood et al. 2011). Once increased agency worker use is aligned to firms’ desire to meet absences, uncertain demand and decrease compensation costs, this study finds that by introducing flexibility to the core workforce, FFWPs improve the ability of firms to direct worker effort. Over time, costs of investing in reducing absence through flexible schedules are less than covering absence with agency workers. Part-time hours, the most common flexible work form adopted by parent employees, have also been associated with higher productivity relative to full-time hours (Garnero et al. 2013, Kunn-Nelen et al. 2013).

The failure to support parent employees in the workplace has negative effects on firm performance. Absenteeism poses a significant burden on Australian businesses and the wider economy (AIG 2016). Average absenteeism costs to employers in 2016 have been cited at \$3,608 per employee, per year and \$43 billion across the Australian economy, and after factoring in indirect costs such as replacement labour and lost productivity, up to 8% of total payroll costs (Direct Health Solutions 2016). Costs of presenteeism on productivity for 2009–10 were approximately \$34.1 billion, with poor work-life balance identified as a leading cause (Medibank 2011). The literature shows that increasing flexibility in the work schedule reduces absence (Heywood et al. 2011, Council of Economic Advisors U.S. 2010) with the greatest reductions in absence for firms with large shares of female workers (Heywood and Miller 2015). This suggests flexible work practices can reduce the costs associated with fixed hours work environments.

Increasing access to flexible arrangements can reduce the likelihood that staff with pressing caring responsibilities make ‘all or nothing’ labour supply decisions on a given day.

Human Resources Management and Business Literature

The HRM and business literature draws primarily on workplace case studies and survey methods to provide detailed insights into firm-level effects of flexible schedules. Flexible work practices have been associated with increased employee productivity through reciprocity (Kelliher and Anderson 2010), increased firm productivity through shifting focus from the measurement of presence to output, reduced business travel and infrastructure costs through reducing office occupancy (Future of Work Institute 2012), higher job satisfaction (Kelliher and Anderson 2010), increased levels of employee engagement (Holmes 2010) and lower turnover (Moen et al. 2011). In one study, control over work time was found to translate into improved family/personal time which, in turn, related back to improved organisational outcomes through higher job satisfaction and reduced turnover intentions (McNall et al. 2010). Addressing the research gap on effects of WLB policies for low-wage, low-skill employees, one study found that job autonomy, on-the-job training opportunities and flexibility for all workers have positive effects on entry-level, hourly workers (low-wage/income) that are similar to, and sometimes greater than impacts on medium- and high-income workers (Bond and Galinsky 2006).

The significant difference between flexible policy availability and take-up is a common theme in the research. Studies demonstrate that organisational culture and values, as well as line manager/supervisor support are key factors accounting for the availability and effectiveness of WLB practices (Cooper and Baird 2015, Drummond and Stone 2014, Gordon 2014, Lero et al. 2009, Sweet et al. 2017). This is particularly the case for SMEs where HR duties are often taken up by the general managers and the business owner. This suggests that implementation approaches are fundamental to ensuring that benefits from investments in WLB practices are realised.

Small and Medium-Sized Enterprises

The smaller volume of research on WLB practices in SMEs is likely due to the challenge of encapsulating their diversity, tracking informal HR practices, and differences in country definitions of SMEs (number of employees). Nevertheless, evidence on benefits accruing to SMEs that embrace FWAs is growing (Dex and Scheibl 2002, Drummond and Stone 2007, Gordon 2014, Kroon et al. 2013, Lero et al. 2009). The literature shows that FWAs are more widespread in SMEs than formally recognised, due to them often being negotiated individually and informally. It is claimed that this informal basis constitutes an advantage to SMEs as a higher prevalence of familial relationships may be more conducive to productivity gains (as outlined in exchange theory). SMEs may have advantages in implementing FWPs because it is easier for them to undertake internal reorganisation due to less role specialisation. Flatter management structures and less bureaucracy can also reduce costs of implementation (Lero et al.

2009, NZ Literature review 1999). Kroon et al. (2013) found that firm size alone (i.e. resource scarcity) does not explain the absence or presence of FWPs, with knowledge of best practice and attitudes of decision makers moderating the effect of firm size (and corresponding access to resources) upon FWP uptake.

In Australia, small businesses are less likely to provide paid parental leave or FWAs to their employees compared to medium and large firms. However, excluding leave policies, flexible practices such as flexible work hours, selection of own shifts or roster, jobshare and remote working in small business (5–19 persons) is not much lower than that of medium-sized businesses (20–199 persons) (Gilfillan 2015). This suggests barriers to smaller firms in provision of non-leave-based FWPs may be overstated. This is consistent with Dex and Scheibl's (2002) finding that FWPs relating to hours of work are the easiest for SMEs to adopt. Further, as Heywood and Miller (2015) found, flexible schedules were associated with the greatest reductions in absence for firms with large shares of female workers and firms without special leave policies. As access to these existing leave provisions is limited in small businesses, this suggests that flexible schedules could have an even stronger impact on reducing absence in small firms. The positive role of incremental regulatory change for FWA entitlements in a small business context has been shown in the UK example, where small business employers noted in submissions to government that an incremental approach had assisted them to gradually adjust HR systems (Department of Trade and Industry U.K., 2005).

The UK Experience

The UK experience with new working time regulations (with the introduction of a 1998 statutory limit on average weekly hours) and flexibility provisions for parent employees provides a useful case study within institutional conditions similar to Australia. Since 1997, the UK has seen a decrease in long hours working, an increase in total employment, and no corresponding negative effects on total hours worked (Devlin and Shirvani 2014). There is evidence that employers' working time systems became more sophisticated through reporting requirements, which supported the emergence of new and diverse patterns of work (Arrowsmith 2000). In the UK, FWPs have been implemented as a process of gradual flexibilisation of the labour market. Submissions and surveys from business and trade groups on progress hitherto have indicated that FWPs have been beneficial to firm performance, enabling them to draw on a wider pool of skills in the workforce, improve recruitment and retention rates and increase staff morale and productivity (Department of Employment and Learning Northern Ireland 2010, DTI 2005, Hegewisch 2004, Arrowsmith 2000). Surveys demonstrate that employers' attitudes to FWPs have become more positive over time. A strong indicator of UK employers' confidence in the future of FWPs is demonstrated by the fact that by 2013, the majority of employers (90%) had extended the right to request beyond their legislative obligations to all employees (BIS 2014).

Women's Workforce Participation

In a context of demographic pressures on the Australian working-age population, deepening access to flexible work schedules is widely recommended as a means to increasing women's labour force participation (OECD 2017, 2011, CEA 2010, PwC 2017a, Productivity Commission 2015, 2014, 2009, Charlesworth et al. 2011). Women workers with children are identified as the priority cohort to mobilise policy reform behind, associated with the highest pay-offs in labour supply and associated GDP growth (BCA 2010, Daley et al. 2012, Toohey et al. 2012).

Highlighting the importance of state-led initiatives to raise women's labour force participation, a study for the European Central Bank (2008) found that institutional factors, including legislation promoting women's employment, and structural factors, such as fertility rates, played a greater role in determining part-time employment growth in the EU than business cycles (Buddelmeyer et al. 2008). A recent Australian study found that the ability of first-time mothers to access decreased working hours was one of the most important factors in keeping them attached to the labour market. Mothers also increase the number of hours they work when fathers have access to flexible work arrangements (Argyrous et al. 2017).

Without access to less hours or flexible arrangements, mothers in the workforce are more likely to change employers (Argyrous et al. 2017). For firms, this represents costs from turnover and loss of firm-specific knowledge and skills. Occupational downgrading also imposes broader costs of underutilisation of skills and unrealised investment in education (PwC 2017a) with one UK study showing at least 14% of women changing jobs to access part-time work moved to an occupation where the average qualification level was below that of their prior full-time job (Connolly and Gregory 2008). Risk of downgrading is most strongly influenced by (insufficient) part-time hours opportunities within female employees' current occupations (Connolly and Gregory 2008).

Conclusion

I have surveyed a large literature from a range of disciplines, reflecting a range of perspectives and methodologies. There is a clear consensus in this literature that the availability of family-friendly flexible working hours arrangements generates significant benefits for employers. The sources of these benefits to employers include reduced turnover, improved retention, reduced absenteeism and "presenteeism," improved productivity, and greater satisfaction and happiness among workers participating in those arrangements.

Table A1. Summary of Surveyed Literature: Methodology and Findings

| | Author (year) | Type of study | Sample size/participants | Aim | Findings |
|------------------|-----------------------------|----------------------------------|--|--|--|
| Economics | | | | | |
| 1 | Lee and DeVoe (2012) | Econometric, longitudinal | Canadian panel data – 6,322 firms for period 1999–2007 | Examine impact of flexitime on profitability, as a function of organisational strategy | Firms implementing flexitime in a ‘employee-centred’ strategy earned higher profits and lower profits if as a cost reduction strategy |
| 2 | Arthur (2003) | Survey, longitudinal event study | 130 WLB policy announcements of Fortune 500 companies for period 1971–1996 | Examine impact of WLB policy announcements on profits | Firms’ stock prices rose 0.36% on day of announcement and 0.39% across 3-day window |
| 3 | Heywood and Miller (2015) | Econometric | UK firms (at 2004) | Examine impact of flexible work schedules on absenteeism | <ul style="list-style-type: none"> • On average, flexible schedules lowered absence • Working from home, flexitime and compressed work weeks lowered absence, jobshare did not • Highest absence reductions in firms with high female share of workforce and those without leave policies |
| 4 | Bloom and van Reenan (2006) | Survey | 732 medium-sized manufacturing firms in US, France, Germany and UK | Investigate impact of increased competition on productivity and WLB outcomes | <ul style="list-style-type: none"> • Competition increases management quality, with no negative effect on WLB (firms work ‘smarter’ rather than harder) • Better management strongly correlated to higher productivity • Better management strongly correlated to better WLB outcomes |
| 5 | Bloom, et al. (2011) | Survey | 450 medium-sized manufacturing firms in Europe and US | <ul style="list-style-type: none"> • Examine impact of FFWPs on firm productivity. • FFWPs included - childcare flexibility, working from home, part-time to full-time job flexibility, jobshare and childcare subsidy schemes | <ul style="list-style-type: none"> • Positive correlation between FFWPs and better firm performance in conditions of quality management • No negative effect of FFWPs on profits |

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| 6 | Kleinknecht et al. (2006) | Econometric, longitudinal | Dutch firms for period 1980-1999 | Study long-term effect of internal flexibility (high shares of employees changing function or department) and external flexibility (high use of temporary contracts and high turnover) on wage bills, sales, employment, and labour productivity growth | <ul style="list-style-type: none"> Firms practicing external flexibility yield high wage bills savings and employment growth, but long-term a decline in labour productivity growth High employment–low labour productivity growth trend more pronounced in small firms Firms with high temporary contract use and high turnover had lower sales growth - suggests lower wage cost advantages evened out my social capital losses Internal flexibility firms realised higher sales and employment growth, despite higher wage bills |
| 7 | Heywood et al. (2011) | Survey | 2,295 UK workplaces in non-managerial, non-professional sectors | <ul style="list-style-type: none"> Examine effects of FFWPs on reducing agency worker use Four FFWPs considered: on-site childcare, flexible work schedules, working from home and jobshare | <ul style="list-style-type: none"> All FFWPs decreased likelihood of agency worker use Flexible schedules decreased likelihood of agency worker use by 3.6% decrease (av. 7.9%) FFWPs reduce employer demand for agency workers due to ability to better direct worker effort of core workforce |
| Part-time work and productivity | | | | | |
| 8 | Garnero et al. (2013) | Econometric, longitudinal | Belgian private-sector firms, for period 1999–2010 | Investigate effects of intra-firm shares of part-time workers and of women on productivity (productivity-wage differentials) | <ul style="list-style-type: none"> Increases in the share of part-time workers generated positive rents to employers due to higher productivity rates relative to fulltimers (at 20 hours and above) Employer rents for women driven by lower pay |
| 9 | Kunn-Nelen et al. (2013) | Survey | 224 Dutch service sector firms – average FTE 9.7 | Investigate effects of intra-firm shares of part-time workers on productivity | <ul style="list-style-type: none"> Firms with higher part-time worker (less than 24 hours) share more productive than firms with larger full-time worker share 10% increase in part-time share = 4.8% increase in productivity |
| 10 | Buddelmeyer et al. (2008) | Econometric, longitudinal | EU-15 countries for the period 1983–1998 | Investigate cause of part-time work developments and relative | Labour market institutions and structural factors more significant to growth in rate of part-time |

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| | | | | weight of business cycles and institutional (including legislation promoting part-time work) and structural factors (including women's participation rate) | employment than business cycles |
| Flexibility and women's workforce participation | | | | | |
| 11 | Business Council of Australia (2013) | Business periodical | | Outline policy recommendations for the Cwth to increase WWP and workplace flexibility | Action 4.12 recommends workplace relations law encourage more flexible working arrangements and supportive culture for working parents |
| 12 | Toohy et al. (2009) | Report, macroeconomic methods | | Demonstrate an economic case for increase WWP | <ul style="list-style-type: none"> • Mobilising inactive mothers carries highest pay-off to GDP than other cohorts • Recommends expanded access to flexible hours, retraining programs and childcare • Closing gender employment rate gap could result in a 8-11% increase in GDP |
| 13 | OECD (2017) | Report, macroeconomic methods | | Identify unmet labour resources in Australia and draw on OECD comparisons to inform labour market policy recommendations | Recommends Australia pursue WLB policies to increase WWP |
| 14 | OECD (2011) | Report, macroeconomic methods | OECD countries | Investigate impacts of OECD governments' families policies on parental employment | <ul style="list-style-type: none"> • Across OECD, part-time workers experience lower hourly earnings, less training and promotion activities and lower security • Recommends removing barriers to part-time work within women's current occupations or comparative skill levels • Part-time workers in low-disposable-income households more likely to be inactive than to stay in work • FWPs linked to higher WLB and firm needs |
| 15 | Daley et al. (2012) | Report, macroeconomic methods | | Outline key domestic economic reforms with highest returns to Australian economy | <ul style="list-style-type: none"> • Lifting WWP rate to Canada's rate would increase GDP by \$25 billion • Increasing flexibility in work hours may lift WWP |
| 16 | OECD (2014) | Report, macroeconomic methods | OECD countries | Rank Australia in OECD based on 11 indicators identified as essential to material living conditions and quality of life | <ul style="list-style-type: none"> • Australia ranks 30 out of 38 countries for WLB measure • High proportion of employees working very long hours (13.4%) • Number of hours Australians spend on |

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| | | | | | personal care and leisure (14.4 hrs) below OECD average of 15 hrs |
| 17 | PwC (2017) | Econometric (cross sectional study) and market replacement method | Economic output, sector and demographic indicators across 2,214 geographical locations | Report on value of unpaid work in Australian economy and unpaid work patterns by location | <ul style="list-style-type: none"> Unpaid work estimated at 33.9% of GDP (unpaid childcare 19.9%) Women conduct 72% of unpaid work with male/female breakdown unaffected by income or education |
| Human Resources Management and Business | | | | | |
| 18 | Whyman et al. (2014) | Survey | UK firms where partnership approaches to FWP implementation exist (1,840 employees) | Investigate role of workplace partnership in securing employer and employee gains through implementation of FWPs | High mutual gains for part-time hours, home working and training for skills development and functional flexibility |
| 19 | Cooper and Baird (2015) | Case study | Two large Australian firms: one telecommunications firm and one financial services firm | Assess how Australia's 'right to request' provision is translating into workplaces – assess types of request, process, outcomes and implications for managers and employees | <ul style="list-style-type: none"> Majority of line managers and employees lacked understanding of 'right to request' Most respondents did not understand policies and procedures ½ of line managers either unaware of policy or challenged by unclear criteria for granting or refusing FWAs Most request processed informally, outside policy procedures HR systems not all recording request outcomes |
| 20 | Sweet et al. (2017) | Case study, longitudinal survey | 721 managers in a US financial services firm over one-year period | Examine how manager attitudes to FWAs are affected in a change initiative context where FWAs are implemented as a means to improve business operation (i.e. not WLB improvements) | Manager attitudes were generally 'sticky' Experience supervising flexible workers and perceived career rewards strongest indicators of favourable attitudes changes |
| 21 | Holmes (2011) | Survey | 100 Australian firms across financial services, public sector, manufacturing, health and retail; SMEs and large firms represented; 60% respondents in HR, 40% management | Examine changes in workplaces four months after introduction of 'right to request' provision | <ul style="list-style-type: none"> Little change in no. of FWA requests 50% of respondents had focused on skilling management, but 47% agreed or strongly agreed that views among leadership of value of FWAs were rigid 26% said management were not capable of managing flexibility More than 1/3rd of respondents noted an |

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| | | | | | increase in employee engagement of 0–5%; 15% noted increase of 6–10% |
| 22 | Kelliher and Anderson (2010) | Case study | 2,066 employees across 3 multinational companies from IT, pharmaceutical and consulting sectors | Examine effects of adopting reduced working hours and remote working practices on work intensification among workers with less face time in workplace | <ul style="list-style-type: none"> • Flexible workers recorded higher levels of job satisfaction and commitment to organisation than non-flexible workers • Flexible workers recorded patterns of work intensification, trading flexibility for increased effort |
| 23 | Moen et al. (2011) | Case study, longitudinal | 775 employees from private sector firm, over 8-month period | Investigate if offering employees greater flexibility through the introduction of a Results Only Work Environment (ROWE) initiative can reduce turnover | <ul style="list-style-type: none"> • Turnover intentions for ROWE-participating employees declined by 45.5% • ROWE reduced turnover among employees with long organisational tenure • Turnover intentions among parent employees in ROWE declined |
| 24 | McNall et al. (2010) | Survey | 220 working adults recruited from internet database | Examine how employee control over working time translates into improved family/personal time, and how enrichment relates to organisational outcomes through job satisfaction and turnover intentions | <ul style="list-style-type: none"> • Flexible schedules positively influences work-to-family enrichment • FWAs and work-to-family enrichment both related to higher job satisfaction and reduced turnover intentions |
| 25 | Future of Work Institute (2012) | Survey | 20 small, medium and large firms within the UK Employers Group on Workplace Flexibility (covering 500,000 workers) | Examine impact of FWPs on firm performance | <ul style="list-style-type: none"> • Flexibility enabled firms to better respond to workload fluctuation • FWPs increased employee productivity, motivation and decreased turnover intentions • FWPs reduced travel costs and other overheads • EY found a link between flexibility, upper quartile engagement scores and a 10% increase in retention • FWPs have supported increase in women reaching senior roles |
| 26 | Council of Economic Advisors (U.S., 2010) | Survey, single case study and literature review | Management survey in US firms, case study of large public utility company | Advise on FWP demand, uptake and benefits to firms and wider economy | <ul style="list-style-type: none"> • Review concludes FWAs may outweigh costs through reducing absenteeism, turnover and improving productivity • Case study evidenced 20% reduction in |

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| | | | | | <p>absence in sub-unit with flexible schedules, compared to other units on standard hours</p> <ul style="list-style-type: none"> • Absence reduction disappeared when flexible scheduling was dropped |
| 27 | Bond and Galinsky (2006) | Econometric | 2,810 US workers from 2002 National Study of the Changing Workforce | <ul style="list-style-type: none"> • Examine how employers can increase productivity and retention of entry-level, hourly employees through creating 'effective workplaces' • Investigate effects of WLB practices on low-wage, low-income workers compared to other workers | <ul style="list-style-type: none"> • Job autonomy, training opportunities on the job and flexibility for all workers have positive effects on entry-level, hourly workers (low-wage/income) that are similar to, and greater than impacts on medium- and high-income workers • Greater job autonomy and flexibility more strongly related to lower negative spillover for low-income workers than mid- and high-income workers • Greater training opportunities and flexibility had more favourable effects on job satisfaction of low-income workers |
| Costs of absenteeism and presenteeism in Australia | | | | | |
| 28 | Direct Health Solutions (2016) | Survey | Managers of 109 Australian firms (covering 240,000 workers) | Investigate absenteeism levels and costs to firms | <ul style="list-style-type: none"> • In 2016 average absenteeism levels increased by 0.9 days from 8.6 in 2015 to 9.5 days • Average cost of absenteeism estimated at \$3,608 per worker per year and \$43 billion to economy • Combined direct and indirect costs of absenteeism (replacement labour, lost productivity) estimated at 8% of total payroll costs |
| 29. | The Australian Industry Group (2016) | Survey | Managers of Australian firms (n = ?) | Investigate costs of absenteeism and presence of absence policy | <ul style="list-style-type: none"> • 74% of respondents said absenteeism posed significant cost to their business • Average cost of absenteeism estimated at \$578 per worker per absent day and \$44 billion to economy • 1 out of 5 firms did not have absence measuring and reporting system |
| 30 | Medibank (2011) | Report, economic model | | <ul style="list-style-type: none"> • Estimate productivity losses resulting from 12 common | <ul style="list-style-type: none"> • In 2009-10, total costs of presenteeism to economy increased from \$25.7 billion in 2005- |

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| | | | | <p>medical conditions</p> <ul style="list-style-type: none"> Apply international estimates of on-the-job productivity losses to data on prevalence of conditions among Australian population | <p>06 to \$34.1 billion</p> <ul style="list-style-type: none"> Average of 6.5 working days of productivity lost per year per employee Productivity loss equates to 2.7% decrease in GDP and 3.3% decrease in private consumption or \$22.6 billion |
| Small and medium enterprises: FWA implementation and best practice | | | | | |
| 31 | Gilfillan (2015) | Report | Australian firms | <ul style="list-style-type: none"> Provide statistical snapshot of level of FWA provision in Australian firms by size Practices considered: flexible schedules, ability to buy annual leave, cash out leave or take leave without pay, selection of own roster or shifts, jobshare, remote working, paid parental leave and flexible use of personal leave | <ul style="list-style-type: none"> At 2014, small business accounted for largest employment share (44%), followed by large- (31.7%) and medium-sized business (24.3%) FWA provision was lower in smaller firms When excluding leave policies, FWA provision in firms with 5–19 employees was not that different to firms with 20–199 employees |
| 32 | Dex and Scheibl (2002) | Case study | HR representatives/GMs in 23 SMEs (less than 500 employees) in East Anglican region, England | Explore how FWAs are supported in SMEs | <ul style="list-style-type: none"> SMEs with strong FWA provision not sector-specific, have high share of women and parent employees Provision driven by managers' experience of WLB, business benefits in higher retention, productivity, and by seminars, workshops and employee requests Barriers identified included additional red tape, loss of clients, lower productivity and difficult managing FWAs Team work, multi-skilled teams and flexibility credit systems recommended as transferable practices among SMEs FWP data on SMEs likely underestimates provision due to informal arrangements |
| 33 | Gordon (2014) | Case study | Employees in 18 small Canadian IT firms | Examine experience of FWPs in small firms through lens of direct and indirect management control strategies | <ul style="list-style-type: none"> Direct control management strategies such as owing time negatively affected FWP take-up Flexible/favourable firms characterised by |

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| | | | | | <p>high trust, supportive FWP cultures and reciprocal exchange practices</p> <ul style="list-style-type: none"> • Long hours culture contradicted FWP access in flexible/contradictory firms |
| 34 | Kroon et al. (2013) | Survey | 45 small Dutch firms (less than 50 employees) and 211 employees in service and construction sectors | Examine whether implementation of high performance work practices depends on resource scarcity (size of firm) and decision-making of employers of small firms based on expertise and attitudes | <ul style="list-style-type: none"> • Small firms adopt specific 'bundles' of HPWPs • Expertise and attitudes of entrepreneurs driving strategic decisions moderate the effect of limited resources on uptake of HPWPs in small firms • Where entrepreneurs aware of best practice, employees reported higher job autonomy |
| 35 | Drummond and Stone (2007) | Survey | CEOs of 30 SME firms in UK | Explore use of HPWS among firms ranked in <i>Sunday Times</i> ' Best Small Companies to Work For' by employees and links to firm performance | <ul style="list-style-type: none"> • Firms studies outperformed others in their sector in employment growth and sales • Some evidence that HPWS improved business performance • Governing 'philosophies' shaped and sustained mechanisms of HPWS • Values, cultures and norms part of performance systems |
| Gender Economics | | | | | |
| 36 | Argyrous et al. (2017) | Survey | 804 Australian first-time parent couples with a child 0–12 months | Analyse how mothers and fathers allocate time to paid work and childcare after the birth of their first child | <ul style="list-style-type: none"> • No effect on paid work hours of fathers • 28% of mothers exited workforce (2.3% of fathers) • Absolute pre-birth salary of both parents, mothers' education, access to paid parental leave and fathers' workplace flexibility affected mother' decisions to stay in workforce • Strong correlation between mothers' lower amount of work hours and changing employers |
| 37 | Charlesworth et al. (2011) | Survey | Australian parent employees with a child aged 6–7 | Explore links between mothers and fathers work hours, job quality (FFWP provision) and employment contract type. | <ul style="list-style-type: none"> • Moderate full-time hours for both mothers and fathers offered the jobs with best FFWP provision and secure contracts • More than one-third of all fathers worked very long hours (more than 50 hours) in jobs linked |

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| | | | | | to poor job quality |
| 38 | Connolly and Gregory (2008) | Survey, longitudinal | UK women aged 22–59 for period 1991–2001 | Investigate the extent to which switching to part-time work for women means changing occupation and a lower level of qualification or skills | <ul style="list-style-type: none"> • Significant occupational downgrading identified • 14% of all women moving to part-time work moved to occupation with lower skills compared to previous job • Approx. 33% changed employer • Downgrading risk significantly decreases when women remain with current employer • Of 20% of professional women downgrading, 44% moved into low-skill work • Average education underutilisation among professionals 2.7 years • Risk of downgrading (35%) most strongly influenced by insufficient part-time hours with current employers • Presence of pre-school child only increased downgrading risk by 3–5% |
| 39 | Ibanez (2011) | Case study | Primary, secondary teachers and education sectors in UK, Spain and Netherlands | Explore institutional obstacles faced by skilled workers who prefer part-time hours, focusing on divisibility of work tasks and contract compatibility | <ul style="list-style-type: none"> • High part-time work use among Dutch teachers (approx. 50%), low in UK and Spain • Higher part-time work use reflected organisational acceptance and greater adaptation capability • Decoupling organisation operating timetable from employee hours and regulation of overtime increased part-time work proportionality • Long-hours work in UK and Spain undermined proportionality |
| Australian Government | | | | | |
| 40 | Productivity Commission (2015) | Report, macroeconomic methods | | Review Australia’s workplace relations framework | <ul style="list-style-type: none"> • For the decade 2006–13, there has been little change to share of employees with access to FWPs |
| 41 | Productivity Commission (2014) | Report, macroeconomic methods | | Examine options for reform to the childcare and early childhood learning system and impacts of | <ul style="list-style-type: none"> • WWP would increase if males increased uptake of FWAs • FWAs can influence preferences of mothers |

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| | | | | flexible work on WWP in Australia | with children under 15 to care for children, lifting WWP <ul style="list-style-type: none"> • Recommends new approaches to legal rights for flexible work |
| 42 | Productivity Commission (2009) | Report, macroeconomic methods | | Present design of statutory taxpayer-funded parental leave scheme in Australia | <ul style="list-style-type: none"> • Rising fertility rates linked to access to part-time employment and FWAs • Foregone female earnings from childrearing estimated at over \$300,000 (2007 prices) |
| 43 | Cassells et al. (2009) | Report, macroeconomic methods | | Identify determinants of the gender wage gap and impact of gap on economic growth | <ul style="list-style-type: none"> • Negative effect of gender wage gap on economy stems primarily from disincentives to work more hours (associated with lower female earnings) • Decreasing gender wage gap from 17% to 16% would increase GDP per capital by approx. \$260 million • Closing wage gap worth \$93 billion or 8.5% of GDP • If women have same amount of time in paid work, tenure with current employer and occupation as men, it would result in 7% reduction in wage gap and a saving of \$6.6 billion in GDP |
| The UK Case | | | | | |
| 44 | Arrowsmith (2000) | Survey | UK employers (covering 427,000 workers) across print, engineering, retails and National Health Service for period 1995–1999 | Examine implications of <i>Working Time Regulations 1998</i> legislation on working time one year after introduction | <ul style="list-style-type: none"> • Most important reason for working time changes to reduce costs and increase flexibility • Limiting redundancies and aiding in recruitment and retention cited • Regulations a factor in changes to working time in around half of all workplaces • Consultation with staff on work hours an outcome of regulations |
| 45 | Devlin and Shirvani (2014) | Survey | UK employers | Review impact of <i>Working Time Regulations 1998</i> on the UK labour market | <ul style="list-style-type: none"> • For 1997–2013, long-hours declined (more than 48 hours) by 15% • Regulations increased employment of workers doing shorter working weeks with no reduction in total hours worked |

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| | | | | | <ul style="list-style-type: none"> • Trend identified to more diverse range of working patterns • ‘Opt-out’ provision broadly supported by business, long-hours workers and public |
| 46 | Department of Employment and Learning (Northern Ireland, 2010) | Survey | Business representatives, trade organisations, government, charities, statutory bodies and trade unions in Northern Ireland | Present summary of submissions from consultation on whether to extend flexible work provision and policy decision | <ul style="list-style-type: none"> • Most popular arguments for extending flexibility greater employee job satisfaction, reduced stress, WLB, enhanced motivation, higher productivity, reduced absence and retention and recruitment benefits • Equal numbers of respondents favoured statutory extension to all workers and to parent employees with children 16 and under • Policy decision to adopt gradualist approach consistent with UK and extend to parent employees |
| 47 | Department of Trade and Industry (2005) | Survey | 200 submissions from UK employers, employer groups, unions, civil society groups, academics and lawyers | Present summary of submissions from consultation on extension of flexible work provision to carers of adults from April 2007 | <ul style="list-style-type: none"> • Business indicated that FWAs had improved recruitment, retention rates and increased staff morale and productivity • Small employers noted success of the law had been targeted approach to cohorts of workers, allowing them to manage and develop systems • DTI concluded FWAs for employees with caring commitments had positively impacted on firms and decision taken to extend the provision |
| 48 | Department for Business Innovation and Skills (U.K., 2014) | Survey | 2,011 UK employers (this is the fourth survey in a series of government reports on WLB policies) | <ul style="list-style-type: none"> • Evaluate impact of right to request provision and provide a basis for evaluating future legislative changes • Investigate awareness, provision, uptake, demand and employer views of FWAs | <ul style="list-style-type: none"> • 97% of all employers offered at least one form of flexibility (similar to 2007 survey) • FWP availability and uptake increased with entity size, proportion of female workers and within public sector entities • Of 3% of workplaces with no FWAs available, cost and workload pressures far less likely to be reason compared to incompatibility with nature of work and cultural fit • 90% of employers had extended right to request beyond statutory obligations to all |

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| | | | | | <p>employees</p> <ul style="list-style-type: none"> • Positive employer attitudes toward business benefits of FWAs increased on 2007 survey • 56% of employers said impact on FWAs on entity was very or fairly positive; 9% said they had a negative effect |
| 49 | Hegewisch (2004) | Survey | UK and German firms | Review and compare introduction of employee-led flexibility measures one year after implementation | <ul style="list-style-type: none"> • Increased uptake of part-time work without any recorded problems for employers • Uptake in UK was significant in employee numbers and scope: 900,000 applications received (800,000 fully or partially accepted) • In Germany, 84,000 applications received to decrease working hours, rejections share less than 5%, 55% of companies adjusted to provision through rationalisation and redistribution of tasks • One third of all German cases resulted in employment effects |

Literature Reviews

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| 50 | Skinner and Chapman (2013) | Literature review | Australian and international research on WLB and FFWPs (n = 50) within the public sector and social sciences sector | Review literature on WLB and FFWPs with attention to policy areas of: employee-centred FFWPs, working hours, paid and unpaid leave and access to childcare | <ul style="list-style-type: none"> • Worker input and control crucial to success of WLB organisational interventions • Negative correlation between work-life conflict and job performance and productivity • Positive effects of WLB practices on recruitment, retention, attendance, turnover intention and productivity • Employees reciprocate with increased loyalty effort and productivity |
| 51 | NZ-based literature review, Yasbek (2004) | Literature review | New Zealand and international studies on business costs and benefits of WLB policies (n=29) | Review literature on costs and benefits of WLB policies | <ul style="list-style-type: none"> • Industry type greatest predictor of WLB policy provision followed by firm size • Public sector, finance and insurance most likely to offer WLB policies • In Australia, retail, hospitality and construction least likely to offer WLB policies • A business case for low-skilled, low-paid workers could be mounted due to high costs |

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| | | | | | <p>of recruiting and training staff relative to wages</p> <ul style="list-style-type: none"> • WLB policy process more informal in SMEs, individually negotiated • SMEs have advantages for WLB policy implementation due to less role specialisation, flatter management structures and less bureaucracy (reducing costs) |
| 52 | Lero et al. (2009) | Literature review | Academic, policy and business studies (n=163) across Canada, US, UK, Australia, NZ and Continental Europe from 1990 | <ul style="list-style-type: none"> • Review literature on costs and benefits of WLB policies including in an SME context • Provide examples of return on investment (ROI) analyses | <ul style="list-style-type: none"> • Widespread evidence that firms use WLB practices to leverage employee skills and improve firm performance • Best ROI analyses estimate labour cost savings through reduced absenteeism, turnover and recruitment/replacement costs • Majority of SMEs practice FWP informally – could better place them for managing implementation • Unclear in literature how SMEs are calculating ROI for FWPs |
| 53 | Ireson et al. (2016) | Literature review, scoping review | International studies on caregiver-friendly workplace policies (CFWPs) (n = 70); 88 unique workplaces identified | Identify which sectors are most accommodating to employees with caring commitments, characteristics of firms adopting CFWPs and types of practices offered | <ul style="list-style-type: none"> • Financial, healthcare and technology sectors offered CFWPs more than other sectors (55.6% of all sectors) • Service sector least likely to provide CFWPs • Inexpensive and easily implementable CFWPs most commonly offered with support services in 69.3% of all workplaces; flexible schedules in 48.9% of all workplaces • Business case for CFWPs greatest motivator for employers • Employers internationally recognised absenteeism, productivity, loyalty, engagement and retention benefits • Managers perceived themselves ill-equipped to manage CFWPs |
| 54 | Smeaton et al. (2014) | Literature review | Academic, policy and business studies in UK and internationally | Review all available evidence and present analysis on costs and benefits of WLB practices | <ul style="list-style-type: none"> • Most survey-based research and almost all case study evidence shows that FWPs improve |

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| | | | (n=197) on costs and benefits of WLB practices | | <p>productivity/performance and increase staff retention</p> <ul style="list-style-type: none"> • Econometric studies link FWPs to productivity when index of flexibility used or when part of strategic organisational approach, show retention benefits • Overall, FWPs reduce absence • FWPs effect 'mediating relationships'; mitigate work-life conflict reducing negative spillover • Survey literature indicates most employers view FWP implementation as unproblematic with few costs incurred • FWP administrative burdens analyses estimate costs per organisation per request at £88 and £62 • Analyses of costs of accommodating requests limited, but one assessment estimated £241.24 per FWA |
| 55 | Dex and Scheibl (1999) | Literature review | British and US studies on FFWDs | Identify if there are clear business benefits from adopting FFWDs | <ul style="list-style-type: none"> • Suggests benefits accrue to organisations long-term rather than short-term • Limited literature demonstrating positive effects of FFWDs on absenteeism, retention, productivity • At time of review, evidence mostly based on US data • Disruption and additional administration raised as disadvantages of adopting FFWDs, but derived few from employer surveys • Research gaps identified such as transition costs, effects of FFWDs on SMEs, and need for longitudinal studies have since been tackled by the literature |

Annotated Bibliography

Economics Literature

Flexible work arrangements and firm performance

1. Lee, B. Y. and DeVoe, S. E. 2012. 'Flexitime and Profitability'. *Industrial Relations*, 51(2): 298–316.

Lee and DeVoe use Canadian panel data to examine the ability of flexitime as a function of organisational strategy to predict profitability within organisations. The sample comprised 6,322 companies, followed for the period of 1999–2007. The study investigates the distinction made in the human resource management (HRM) literature between flexible schedules implementation approaches aimed at employee well-being (quality enhancement) and those aimed at employee efficiency (cost reduction). Based on the often-theorised benefits to firms of aligning HRM with organisational strategy, the authors investigate whether strategy is a moderating variable for flexitime's effect on profitability. 'Employee-centred strategy' is operationalised as the extent to which management and employee cooperation and employees' skills and participation are the focus of the organisation's approach.

It was found that the implementation of flexitime has positive effects on profitability for organisations on average. After controlling for differences within organisations, it was found that alignment of flexitime within an organisational strategy focused on cost reduction earned a lower level of profits. Organisations implementing flexitime within a more employee-focused organisational strategy earned higher profits. This suggests that implementation of flexitime should be considered by firms as a strategic choice that takes into account their broader organisational strategy. To explore the possible ways in which organisational strategy is important to flexitime implementation, the effects on revenue and payroll costs were considered. It was found that flexitime within an employee-centred strategy increases overall revenue. This provides some evidence of the ability of flexitime within the right strategy to increase productivity of employees (and/or firm reputation). Flexitime in an employee-centred strategy resulted in higher payroll costs, however, revenues outweighed costs leading to higher firm profits.

This study shows that a strategy supporting the positive employee outcomes of flexitime (e.g. higher job satisfaction, lower absenteeism, increased productivity), will allow firms to realise the benefits of flexitime on profitability, whereas cost reduction strategies will mean that flexitime

negatively effects profitability. This finding echoes those of other studies on the mediating role of management in determining positive effects of flexible schedules (Bloom and van Reenan 2006, Bloom et al. 2011). To the present research, family-friendly policy frameworks provide such a vehicle for employee-centred organisational strategies. With the greatest employment growth in Australia flagged for services industries with skilled labour inputs, a quality enhancing, investment approach to employees to raise profitability rather than cost reduction may be most effective. While a valuable study of the generalisability of flextime's impact on profitability, the authors recognise that the mechanism through which profitability is being increased is not identified. However, effects on payroll costs and revenues provide some insights.

2. Arthur, M. 2003. 'Share Price Reactions to Work-Family Initiatives: An Institutional Perspective'. *Academy of Management Journal*, 46(4): 497–505.

This event study considers the impact of announcements of new work–life balance policies (such as dependent care or flexible work arrangements) on firm profits for Fortune 500 companies. Implementing work–family balance policies were theorised as a process of 'legitimation', increasing the ability of a firm to secure resources, signalling to constituents that react in ways that increase the value of the firm. The study also investigates if proportion of female employees and the high-tech classification of a firm moderate the relationship between family-friendly policies and shareholder returns. The sample included 130 announcements for the years 1971 to 1996.

It was found that, on average, firms' stock prices rose 0.36% on the day of a work–life balance initiative announcement and 0.39% across a three-day window. This suggests that flexible practices raise investors' perceptions of the value of a firm, which may derive from their beliefs about the impact of the policies on worker productivity. The relationship between work–family initiative and shareholder return was higher in high-tech industries and, to a lesser extent, in industries with higher proportions of female employees. This innovative study shows that publicised work–life human resource decisions have positively impacted on the common stock price.

3. Heywood, J. S. and Miller, L. A. 2015. 'Schedule Flexibility, Family Friendly Policies and Absence'. *The Manchester School*, 83(6): 652–675.

This study examines the relationship between flexible work schedules and absenteeism in UK firms. It tests the influence of four types of scheduling flexibility: working at home or from home during normal hours, job sharing schemes, flextime and working compressed working hours. The test controlled for indicators associated with financial support for caregiving and caregiver leave

policies, which are two classes of policies strongly linked to reduced absence. Data were drawn from the UK 2004 Workplace Employment Relations Survey and matched with establishment level data.

A strong association between flexible schedules and lowered absence was found. With the exception of job share, all flexibility measures were individually significant negative correlates of absence. Flexible schedules were associated with greatest reductions in absence for firms with large shares of female workers, firms without special leave policies and those typically organised around shift work. This benefit may have particular implications for Australian SMEs who are less likely to offer leave policies (Gilfillan 2015). These results suggest that if workers can change their scheduled hours, they are less likely to make all of nothing labour supply decisions, reducing absence. To the present study, it shows that flexible schedules present an opportunity for firms to reduce costs from absenteeism, particularly in sectors/firms with high proportions of female workers.

4. **Bloom, N. and van Reenen, J. 2006. 'Work-life Balance, Management Practices and Productivity: A Review of Some Recent Evidence'. *Oxford Review of Economic Policy*, 22(4): 457-482.**

Using international data on management and work-life balance (WLB) practices, this study investigates the often-held claim that increased competition is beneficial for productivity, but results in poor work-life balance for workers. An international survey of 732 medium-sized manufacturing firms in the US, France, Germany and the UK was conducted. To measure WLB and management practices across firms, a survey tool was developed combining questions used in the Workplace Employment Relations Survey (WERS) and a management evaluation tool. Firm-level productivity was calculated based on company accounts and competition was measured based on: (1) degree of import penetration in the country, measured as a share of imports over domestic production; (2) degree of 'excess profit' in the industry; and (3) a survey question on number of competitors a firm faces. Preliminary analysis showed that differences between countries on management and WLB scores were not as significant as the huge variation in management quality within countries, mirroring huge variation in productivity.

First, it was found that heightened competition tends to increase the quality of management, but does not translate into poorer working environments for employees. No relationship was found between competition and the WLB practices of: working from home, time off for childcare, job-switching flexibility and change in average hours worked per week or days holidays per year. If competition raises the quality of management without reducing WLB, this suggests employees and managers are 'working smarter' rather than harder. Second, there was a robust, significant

and positive correlation between better management and productivity. Third, a significant association between better WLB outcomes and better-quality management was found. This shows well-managed firms are both more productive and offered better working conditions to employees. Finally, better WLB was significantly associated with higher productivity (effect of WLB on real sales, controlled for factor inputs), but the association disappeared when controlling for management practices.

While not finding a strong 'win-win' positive association between WLB and productivity, this study demonstrates that in conditions of competition, firm productivity was stimulated via improved management practices, without negative effects on WLB. This evidences the importance of strong management practices both in raising productivity and reaching positive WLB outcomes for employees.

5. **Bloom, N., Kretschmer, T. and van Reenen, J. 2011. 'Are Family-friendly Workplace Practices a Valuable Firm Resource?' *Strategic Management Journal*, 32: 343–367.**

Bloom et al. investigate the effects of family-friendly work practices (FFWPs) on firm productivity. The authors seek to uncover if FFWPs are positively correlated to firm performance and uncover the determinants of FFWPs to understand which firms are most likely to adopt FFWPs. Over 450 firms in Europe (Germany, France and the UK) and the US were surveyed. A survey tool on provision of FFWPs as well as management practices was utilised and this data matched with firm performance data. The final sample focused on medium-sized firms of 50–10,000 workers within the manufacturing sector (where productivity is easier to measure). Key FFWPs variables included in the FFWPs composite measure were childcare flexibility, working from home, part-time to full-time job flexibility, job sharing schemes and childcare subsidy schemes.

A positive correlation between FFWPs and better firm performance was found. However, as found in the authors' earlier study (Bloom and van Reenan 2006), the correlation disappears when controlling for management quality. While there was no clear positive effect on labour productivity, no negative effect on profits was identified, suggesting FFWPs pay for themselves. Results from regressions on determinants of FFWPs showed: the proportion of skilled employees and female managers (but not proportion of female employees) both had a strong positive association with FFWPs provision; competition measures were not associated with more or less FFWPs, suggesting that external determinants to provide FFWPs are not as significant as the influence of workplace factors. These findings show that if firms offer FFWPs in addition to favourable management practices, they can improve firm performance. The strong positive

correlation between FFWPs provision and work–life balance outcomes suggests that employees' well-being can be made better off without employers being worse off.

6. **Kleinknecht, A., Oostendorp, R. M., Pradhan, M. P. and Naastepad, C. W. M. 2006. 'Flexible Labour, Firm Performance and the Dutch Job Creation Miracle'. *International Review of Applied Economics*, 20(2): 171–187.**

Against the background of the Dutch 'job creation miracle' of the 1980s and 1990s, this study explores the effects of internal and external flexibilisation on (1) firm performance (sales growth); (2) employment growth and; (3) labour productivity growth over a 20-year period. External flexibility is the adaptation of labour to business needs through easier hiring or dismissal and is associated with higher turnover and low-trust labour relations. Internal flexibility emphasises qualitative changes in labour, such as re-training and fostering employee commitment (indicated by high shares of employees changing function or department). Cross-sector firm-level and person-level wage data are utilised. First, the wage bill savings effects of flexibility are analysed, followed by an analysis of the effect of externally and internally flexible labour on a firm's sales and employment growth. Finally, implications for labour productivity growth are considered.

It was found that external flexibility (high shares of employees on temporary contracts or high turnover) yielded substantial savings on firms' wage bills. High wage bill savings was associated with higher job growth, however, the 'job miracle' coincided with a decline in labour productivity growth, particularly for smaller and younger firms. Sales growth did not differ significantly by firm size, but employment growth in small firms was much higher than others. This suggests that labour productivity growth rates (sales by employee as proxy) are lower in small firms. These findings should be of interest in Australia where the majority of employment growth (pre-GFC) has also been attributable to small business growth. The Netherlands example suggests employment growth is caused by weak growth in labour productivity among small firms. For research and development (R&D) firms, external flexibility did not yield wage bill savings. Firms with high staff turnover and firms with high shares of staff on temporary contracts did not realise any significant sales growth. This means lower wage cost advantages to firms may be evened out by losses on social capital. Conversely, firms that practiced internal flexibility realised significantly higher sales and employment growth, despite paying higher wages. For firms investing in R&D, internal flexibility had a very strong effect on sales growth, indicating internal flexibility is particularly beneficial for innovating firms.

The authors conclude that external flexibility undermines labour productivity growth. External flexibilisation may create many jobs, but this is likely to be at the expense of labour productivity

growth. These findings challenge the assumption that lower wage bills denote competitive advantage. More generally, it casts doubts about the sustainability of a low-productivity and high employment growth path.

The main contribution of this study to the present research is to demonstrate that *internally* flexible and secure working arrangements are beneficial to firm performance. The Dutch example suggests the current reliance on externally flexible employment models in Australia (contract or casual employment) as a core employment type for women needing flexible hours may need to shift toward more secure, internally flexible arrangements to better support labour productivity and firm performance in the long-run. Internal flexibility through the introduction of flexible and family-friendly work schedules and employment security for parents could create incentives for labour productivity growth and innovation.

7. Heywood, J. S., Siebert, W. S. and Wei, X. 2011. 'Estimating the Use of Agency Workers: Can Family Friendly Policies Reduce their Use?' *Industrial Relations*, 50: 535–564.

Heywood et al. examine firms' use of temporary and agency workers and the effect of family-friendly flexible workplace practices on reducing agency workers use. The study posits that if increased agency worker use has been motivated by desire to gain more flexibility to meet absences and uncertain demand, and to reduce compensation costs, introducing flexible workplace practices that improve the ability of firms to direct or control worker effort should impact on the demand for temporary workers. The article focuses on four practices associated with relieving workers of caring responsibilities, enhancing employers' control over work effort and reducing absence: on-site childcare, flexible work schedules, working from home, and job sharing. Data is drawn from the management questionnaire of the 2004 Workplace Employment Relations Survey (WERS). The study draws on a nationally representative sample of 2,295 workplaces and focuses on non-managerial, non-professional employees.

Results on the determinants of agency worker use were: large, non-single-establishments were more likely to use agency workers; proportion of part-time workers had a strongly negative coefficient, indicating a flexibility trade-off between the use of agency workers and part-time workers; workplaces with positive internal flexibility, measured by the variety of tasks undertaken (proxy for cross-training/skills) were less likely to use agency workers; and low external flexibility was correlated with higher agency use.

The study finds there is a trade-off between the ability to better direct the work of permanent workers through family-friendly policies and the need for agency workers. Each of the four

family-friendly practices significantly decreased the likelihood of agency worker use. Flexible scheduling was associated with a 3.6-percentage point decrease in likelihood of using agency workers, when the average likelihood was 7.9%. When combining all family-friendly practices in an index, workplaces providing all or majority of the practices were 3.1 percentage points less likely to use agency workers. The authors conclude that by introducing more flexibility to the core workforce through family-friendly practices, employer demand for agency workers is reduced because these practices reduce absence and allow for greater control of worker effort.

To the extent that agency workers have been utilised by employers to organise work around the limitations of the full-time, traditional hours model, it follows that there will come a point where flexible schedules for the permanent workforce are more cost effective. For instance, costs of covering absence through agency use may exceed costs of reducing absence through flexible schedules for core workers. The trade-off found between agency work and part-time work evidences this. To the present research, this study shows that introducing flexibility to the core workforce through family-friendly policies can give employers more control over work performed and reduce demand for expensive agency work. Family-friendly practices can offer employers flexibility without the negative costs associated with agency work such as high coordination costs, high turnover and decreased job satisfaction, and flow-on effects to permanent employees. The European Union Directive (2008) on temporary agency work emerged from concern for the diminution in the quality of employment relations associated with temporary work, which suggests that decreased agency worker dependency has benefits for the health of the labour market overall. Where most of the flexible schedules literature is focused on professional, skilled sectors, this study provides a lens for analysing the impact of flexible schedules within non-professional sectors.

Part-time work and productivity

8. **Garnero, A., Kampelmann, S. and Rycx, F. 2013. *Part-time Work, Wages and Productivity: Evidence from Belgian Matched Panel Data*. Discussion Paper No. 7789. Available from <http://ftp.iza.org/dp7789.pdf>**

This study investigates the effects of intra-firm shares of part-time workers and women on productivity within Belgian private-sector firms. It considers the relationship between productivity-wage differentials and the firm's labour composition by part-time hours and gender. Through analysing the productivity-wage differentials, the authors are able to measure economic rents flowing to employers by hours worked and gender. The study draws on detailed longitudinal matched employer–employee data for the period 1999–2010.

Looking at the effects of intra-firm part-time worker share, it was found that women workers and part-time workers generate employer rents, but the source of the rents differ. Employer rents for female workers were driven by the relatively lower pay of this group. For part-time workers, the gap between added value and wages per hour was due to their higher productivity relative to the full-timers. In a further analysis, the authors distinguish between short and long part-time hours, isolating the productivity of part-time work. Three thresholds are set for the upper-end of part-time hours at 20, 25 and 30 hours. No productivity effect relative to full-time hours was identified for short part-time hours (below 20). However, the 20- and 25-hour thresholds were associated with significant economic rents. The 30-hour threshold was not associated with significant rents, likely due to its proximity to the full-time hours' measure. The authors conclude that these results likely reflect the lesser conditions of part-time jobs available to women who reduce working hours, whereas male part-time work is often under collectively negotiated hours reductions that do not affect pay per hour.

To the present research, this study demonstrates a positive effect of part-time work relative to full-time work on labour productivity. The gap identified between value added and average wages shows that with an increase in the group of part-time workers generates significant and positive rents for the average employer (at 20 hours and above).

9. Kunn-Nelen, A., De Grip, A. and Fourage, D. 2013. 'Is Part-Time Employment Beneficial for Firm Productivity'. *Industrial and Labour Relations Review*, 66(5): 1172–1191.

Kunn-Nelen et al. analyse whether firms' share of part-time employment affects productivity within service sector firms. The study draws on an employer–employee matched data set on the Dutch pharmacy sector, with data on employee working hours and a 'hard' measure of firm productivity used (total prescriptions, where a close link between prescription lines and total sales is identified). Pharmacy assistants were selected (core workforce) and were homogenous in character with law requiring the same educational background and 99% of employees being female. Final sample included 224 firms.

It was found that firms with a large part-time employment share were more productive than firms with a large share of full-time workers. This was unaffected by the inclusion of demand and degree of competition measures. With each 10% increase in part-time share, a 4.8% increase productivity is recorded. The significance of part-time hours on productivity was tested for a working week of less than 24 hours. When defined otherwise, firms' share of part-time work was as productive as full-time share. Additional analysis on the timing of labour demand suggests this increase in productivity can be explained by a more efficient allocation of labour across

working days. Part-time workers provide bridges between operating hours and standard full-time hours and cushioning for peak hours.

For the present research, this evidences the productivity potential of part-time employment forms relative to full-time employment within the services sector, where skills/qualification requirements are homogenous. The services sector is the largest in the Australian economy, representing approximately 70% of GDP and employing four out of five Australians (DFAT 2017). There are already high part-time and casual employment levels in areas such as retail and hospitality. However, as professional services grow, expanding business hours and meeting fluctuating customer demand, there will be increased demand to introduce more flexible working arrangements for skilled employees. Fluctuating demand and expanded operating hours are common to all service-sector firms so there is generalisability of the study's findings. This study suggests that increasing access to flexible working arrangements (FWAs) for parent employees could facilitate labour allocation efficiencies at the firm level through aligning flexible hours or reduced work hours with demand. It is also significant that these findings reflect small firms (average FTE of 9.7) since the ability of small businesses to implement FWAs is regularly raised as a barrier to reform.

10. Buddelmeyer, H., Mourre, G. and Ward, M. 2008. *Why Do Europeans Work Part-time? A Cross-country Panel Analysis*. Working Paper No. 872. Frankfurt: European Central Bank.

This empirical study investigates the causes of part-time job developments across 15 countries in the European Union (EU-15) over the 1980s and 1990s. It analyses the relative weight of business cycles (both output gap and real GDP growth), institutional factors, including the impact of changes in legislation promoting part-time employment, and structural factors such as fertility and women's participation rates, in determining the part-time employment rate between 1983 and 1998. It was found that labour market institutions and structural factors were more significant contributors to the rate of part-time employment than business cycles. The effect of the business cycle was negligible over the entire period as cyclical peaks and troughs offset each other. This is consistent with the 'flexibility' hypothesis. Moreover, the contribution of business cycles to the increase in the female part-time participation rate in the European Union in the 1990s was lower than the impact on the total part-time rate.

The significance of these findings to the present study is the demonstrated importance of legislation and regulations in promoting part-time work in driving long-run changes in the labour market. This is especially the case for women's labour force participation. As the rate of women's labour market participation and the part-time employment rate are inextricably linked,

this study also suggests that state-led initiatives to increase labour market flexibility and specifically, greater access to part-time hours, would have a positive effect on women's participation. Conversely, business cycles could not be relied upon to mobilise an increase in female participation rates.

Flexibility and women's workforce participation

11. Business Council of Australia. 2013. 'Realising the Potential of People and Workplaces'. *Action Plan for Enduring Prosperity*. BCA.

The BCA report on the present state of the Australian economy and offer policy recommendations for the Commonwealth. Increasing the labour force participation of mothers is identified as a key priority for economic growth. The report identifies limitations in job design and workplace flexibility as a barrier to mothers' workforce participation. To keep pace with the shifting landscape for Australian businesses and increasing competition from regional neighbours, the BCA argues that focus should turn to fostering more productive and innovative workplaces through the following: (1) institutional, policy and regulatory tools that support direct engagement between employers and employees at the firm level, and promote healthy and safe workplaces; (2) improving management capabilities and management practices; (3) effective incentive systems including employment security; and (4) investment in skills development and flexible job assignments.

Key to the present research, the BCA recommends (Action 4.12) that workplace relations law encourage more flexible arrangements and a supportive culture for working parents. Together, the BCA's recommendations for improving women's workforce participation and fostering business productivity suggest there are benefits to a more formalised approach to flexible work schedule access for parent employees. To support firm performance, BCA also emphasise the need for internally flexible family-friendly secure working arrangements, which have been linked to higher productivity growth (Kleinknecht et al. 2006) and reduced absence, particularly among female workers (Heywood and Miller 2015) elsewhere in the literature.

12. Toohey, T., Colosimo, D. and Boak, A. 2009. *Australia's Hidden Resource: The Economic Case for Increasing Female Participation*. Goldman Sachs Research Report.

This report argues that Australian policy should focus on lifting skilled female employment participation to increase productivity through directing women into productive, growth industries

and retaining women in the workforce longer. The report provides a gender snapshot of Australia's labour market and empirical analysis to support policy recommendations. It was found that women (particularly young women) were more likely to have a higher level of education than men, but their skills are focused in two industries: healthcare and social assistance, and education and training.

The report recommends that policy work to keep younger woman workers attached to the workforce while providing care for children, as this cohort will lead to the highest pay-off for increased participation. Flexible work arrangements including flexible hours and remote working are recommended, as well as increased childcare subsidies. The report estimates that in the 30 years from 1974, increasing women's participation has increased GDP by 22% and closing the gap in male and female employment rates today could boost Australia's GDP by 11%. This is based on the assumption of average hours worked and average productivity being unchanged by raising female employment. However, given that the ability to work part-time is a key drawcard for attracting women back into work after childbirth, boosting female participation could also result in a decline in average hours worked. The report finds that accounting for declines in average productivity would still yield a significant increase in GDP of 8%.

To the present research, this report estimates the macroeconomic benefits of increasing participation of female skilled workers. Providing access to flexible work schedules for mothers to ensure they can maintain a longer connection to the workforce while undertaking childcare responsibilities is a key recommendation of this report.

13. OECD. 2017. *Connecting People with Jobs: Key Issues for Raising Labour Market Participation in Australia*. Paris: OECD Publishing.

The OECD investigates how Australia can better mobilise its labour resources. It identifies unmet labour resources and challenges for particular underrepresented groups, and provides OECD country comparisons as a basis for informing policy reform. Inactive or part-time working women, particularly mothers, are identified as a group with the greatest potential to raise participation rates. Drawing on successful policy implemented in other OECD countries to increase female workforce participation (and close the gender employment gap), the report recommends that Australia consider policies to facilitate better work-life balance for mothers.

14. OECD. 2011. *Doing Better for Families*. Paris: OECD Publishing.

This report details the different ways OECD governments shape policies with respect to families. The interaction of these effects on parental employment are considered. Across OECD countries, part-time work is widely used by parent employees to help balance work and family life. In 2010, around 83% of part-time workers in the OECD were engaged voluntarily, with the large group of female part-time workers largely satisfied with their employment outcome. However, it was also found that part-time workers experience a penalty due to average lower hourly earnings, less training and promotion opportunities, and less security. Women who choose to work part time say they accept these conditions to access better working-time arrangements and less stress.

The report recommends removing barriers to part-time work for those who require it. The risk of not having access to part-time hours within women's current occupations or comparative skill levels is that women leave the labour market to undertake caring responsibilities. The OECD find that women who do not work for several years find it difficult to find meaningful work again. It was also found that part-time workers in households with low disposable income are more likely to be inactive than to stay in work. This highlights the institutional employment engagement risks of part-time work for low-skilled, low-paid, female-dominated sectors. The report notes that flexible workplace practices such as part-time work, flextime and remote working can improve work-family balance in a way that is consistent with firm needs. Flexible workplace practices are particularly important when other policies such as carer's leave are not available. For the present research on family-friendly work practices, this report shows that flexible schedules can assist in reducing barriers to parental employment and ensuring mothers remain in the workforce.

15. Daley, J., McGannon, C. and Ginnivan, L. 2012. *Game-Changers: Economic Reform Priorities for Australia*. Melbourne: Grattan Institute.

This report identifies increasing female labour force participation as one of the key domestic economic reforms that would produce the greatest return to the Australian economy. Daley et al. claim that current policy settings are strongly discouraging mothers from undertaking paid work. The report shows that marginal tax rates and the net cost of childcare are the major influences on female workforce participation, and recommends reforms to address the disincentives to mothers' labour force participation. Citing Productivity Commission calculations, it is noted that if Australia's female workforce participation rate lifted 6% to that of Canada's (which is economically, institutionally and culturally comparable to Australia), it would increase GDP by \$25 billion. This figure accounts for long-run trends in hours worked, part-time rates and GDP

per hour, as well as lower productivity growth within the sectors that women typically work. The report also notes that increasing flexibility in women's work hours may lift participation rates.

This report demonstrates the broader policy impetus for lifting female workforce participation via access to flexible schedules, with the potential for GDP growth. Realising this economic benefit will depend on increasing mothers' engagement in paid work. Introducing better access to flexible work hours for mothers can incentivise higher participation. It could also foster the institutional and firm-level latticework required to support the larger structural reforms to the tax and welfare systems and childcare funding models proposed in this report.

16. OECD. 2014. 'How's Life in Australia?' *Better Life Index*. Available at <http://www.oecd.org/general/Better-life-index-2014-country-reports.pdf>

This index developed by the OECD allows for comparison of well-being across countries, based on 11 factors the OECD identify as essential to material living conditions and quality of life. While Australia performs very well in many of the dimensions, it is in the bottom 20% of performers for the work–life balance measure, ranking 30 out of 38 countries. This is due to the proportion of employees working very long hours of 50 hours or more (13.4%) and the number of hours full-time workers spend per day on personal care (eating, sleeping, etc.) and leisure (14.4 hours), which is below the OECD average of 15 hours. The US (29th), UK (25th) and Canada (20th) all performed better on the work–life balance measure, with the strongest performers the Netherlands (1st), Denmark (2nd) and France (3rd).

The OECD note the important role governments in assisting parents strike better work–life balance by encouraging supportive and flexible working practices. Research showing that Australian fathers are engaged in very long hours work (Charlesworth et al. 2011) signals the potential for increased rights to flexible/part-time hours to improve Australia's work–life measure comparative to other OECD countries, through decreasing the prevalence of very long hours.

17. PwC. 2017. *Understanding the Unpaid Economy*. March. PriceWaterhouseCoopers.

Drawing on a market replacement method, PwC present a report on the value of unpaid work in the Australian economy, measured as a percentage of GDP and as a component of all productive activity (paid and unpaid). The analysis employs PwC's own Geospatial Economic Modelling

which incorporates economic output, sector and location, as well as demographic factors (e.g. age, income, education), across 2,214 locations, with a time series from 2000/01 to 2013/14.

Unpaid work (volunteer, domestic, care of adults and childcare combined) is estimated at 33.9% of GDP, with unpaid childcare comprising 19.9% and thus the highest value 'industry' in the economy at \$345 billion. Women conduct 72% of all unpaid work, with the breakdown of labour undertaken between males and females unaffected by average income, education, or after-market substitution of a portion of unpaid work for paid work. Unpaid childcare per capita by decile of index of relative socio-economic advantage and disadvantage (IRSEAD) increases with decile, and decreases at the highest deciles. This shows there is greater choice at the top end, where potential income may sufficiently outweigh childcare costs, allowing substitution of unpaid into paid work. In an analysis by location, a relationship between high levels of education, socio-economic advantage and high levels of unpaid work per capita was identified. This indicates that education and income support a wider range of choice for parents in undertaking unpaid childcare.

To the present research, these findings suggest that mechanisms to encourage substitution of unpaid hours for paid hours among these skilled, educated and predominantly female individuals (such as greater access to FWAs) could produce economic benefit. Research by NATSEM (2009) demonstrates that increasing hours worked by female workers would have positive effects on economic growth.

Human Resources Management and Business Literature

18. **Whyman, P. B and Petrescu, A. I. 2014. 'Partnership, Flexible Workplace Practices and the Realisation of Mutual Gains: Evidence from the British WERS 2004 Dataset'. *The International Journal of Human Resource Management*, 25(6): 829–851.**

This study investigates the role of workplace partnership in fostering mutual gains (positive-sum) for employers and employees through implementing high-performance, flexible working initiatives. Numerical, functional, temporal and cost flexible workplace practices reported by managers and employees as available or currently in use were identified, and the extent to which their implementation was viewed as producing mutual gains, or gains for one group considered. These views were assessed in relation to three composite measures of organisational performance: (1) establishment performance, comprising financial performance, labour productivity and quality of product (manager assessed); (2) employee satisfaction with work involvement; and (3) quality of partnership created through manager–employee relations. The study draws on a large manager–employee matched dataset from the 2004 wave of the British Workplace Employment Relations Survey. The analysis included 24 workplace flexibility and participation variables and from a sample of 23,000 employees, 8% worked in a workplace that met the criteria for estimating mutual gains emerging from partnership practices. The study contributes to the growing literature linking partnership in modern industrial relations to organisational performance (e.g. Roche and Geary 2006, Martinez Lucio and Stuart 2004).

A bundle of workplace practices were found to be associated with high mutual gains. Partnership agreements on part-time hours and home working, and improving training programs to improve skills and support functional flexibility recorded the highest mutual gains. To the present research, this study shows that the introduction of certain flexibility initiatives can produce mutual gains for both managers and employees when implemented in partnership. In particular, part-time hours and remote working emerged as particularly successful initiatives, where organisational performance was improved and fostered alongside enhanced work–life balance and job satisfaction for employees. The high mutual gains identified for functional flexibility initiatives (training specifically) also suggests that assisting parent employees to re-skill or change roles within a firm to support new or flexible working hours positively effects organisational performance.

19. Cooper, R. and Baird, M, 2015. 'Bringing the "Right to Request" Flexible Working Arrangements to Life: From Policies to Practices". *Employee Relations*, 37(5): 568–581.

This 2015 paper provides an assessment of Australia's 'right to request' flexible working arrangements (FWAs). It seeks to understand how the formal policies are translating into workplace practice on the ground. The authors consider the types of requests, the request process, outcomes and implications for the work of employees and managers. A case study method was utilised, looking at one large telecommunications company and one large financial services company in Australia. Primary data was drawn from 66 in-depth interviews with line managers, employees, key senior managers with specialist knowledge of right to request policies, union officials and external specialist diversity managers from the sector. Of the employees interviewed, 94% were women. The majority were in reduced hours permanent roles and each had returned to work from maternity leave after previously holding full-time permanent jobs. The majority of the employee sample (28 of 33) combined reduced hours with additional flexible work arrangements such as flexible start and finish times and remote working.

The study found that the vast majority of employees and line managers across both organisations lacked a clear understanding of the right to request access to FWAs. This was found for all policy sites—organisational policy, EAs and broader legal rights. Most respondents had a poor understanding of the substance of the policies and procedures associated with requests. Half of all line managers were either unaware of organisational policy or felt challenged by a limited understanding of the criteria on which they should be granting or refusing FWA requests. Thus, the key factor in determining FWA requests was line manager opinion. Most FWA requests were processed informally by managers outside of existing policy procedures. Employees were vague about what form access to their new FWA had been obtained and request outcomes were not always recorded within HR systems. Right to request FWAs were not often consistent with other policies around workload, job design and performance management, with no explicit mechanisms identified for re-designing work. This created tension as many women employees were returning to work under-resourced, with unrealistic workloads.

The findings of this paper suggest that there are in-built constraints within the informal and decentralised managerial discretion model for FWAs currently pursued in Australia, which means the proper intention of FWAs is not being facilitated. For the present research, this has implications for the ability of the policy to reach the demonstrated economic benefits of flexibility, such as increased supply of skilled female labour, and increased female workforce participation. Further, the informal framework may not be incentivising (and potentially undermining) formal record keeping required for quality business planning and management. For instance, firms implementing FWAs require formal record keeping to develop long-run labour

profiles, most efficiently direct work effort and construct new flexible work patterns to improve performance.

- 20. Sweet, S., Pitt-Catsouphes, M. and James, J. B. 2017. ‘Manager Attitudes Concerning Flexible Work Arrangements: Fixed or Changeable?’ *Community, Work and Family*, 20(1): 50–71.**

This longitudinal study looks at changes in manager attitudes in the US towards FWAs in a change initiative context. It seeks to uncover whether managers’ attitudes to FWAs are constant over time (how ‘sticky’ they are), if the experience of supervising flexible employees shapes manager attitudes to FWAs, and if training and standards at all influence attitudes. A financial services company was used as a case study, where FWAs had been introduced through a communications program shaped for employees and managers as a means to improve business operation (rather than a means for improving employee work–life balance or diversity). Data were collected through six surveys of 721 managers conducted over a one-year period.

The findings show the existence of ‘stickiness’ as most manager attitudes were constant over the year. However, a sizeable portion did shift attitudes. Experience supervising workers with FWAs and perceived career rewards wielded the strongest results for favourable changes in attitudes. This suggests there may be a positive spiral between favourable attitudes and expanded use of FWAs in the workplace. The main limitation to the study is that measures of attitudes were taken after the introduction of the FWA communications campaign, which may have already influenced attitudes.

Studies on what influences manager attitudes to FWAs are relevant to the Australian context, where the manager discretion model means that line managers play a key role in shaping FWA access and implementation. This study shows that manager motivations do not always align with organisational interests, which may impede implementation of FWAs. As the gatekeepers of FWA allocation under Australia’s current policy settings, line managers may not be best placed to drive organisational change toward more flexibility for parent employees facing a work-family conflict.

21. **Holmes, B. 2011. *Results of Flexible Work in 2010 – A Pulse Survey*. Managing Work–Life Balance International. Available from http://www.worklifebalance.com.au/images/stories/Results_of_Flexible_Work_in_2010_Pulse_Survey.pdf**

A work–life balance consultancy presents the results of a survey of Australian businesses on changes in the workplace four months after the introduction of the right to request flexible work arrangements (FWAs) provision in January 2010. It identifies challenges to HR practitioners and managers as well as benefits of flexibility. The survey was undertaken by 100 organisations, with 60% of respondents from HR and the remaining 40% from either senior or middle management. The majority of participants were from medium-sized organisations, with both large and smaller organisations well represented. More than one-third of organisations came from professional services, with the remainder spread across public sector, manufacturing, health and retail sectors.

At the time of the survey, little change in the number of staff requesting FWAs had been identified. Barriers to FWA implementation from management attitudes were identified. Despite 50% of respondents indicating they had focused on skilling managers to manage FWAs, 47% agreed or strongly agreed that leaders in the organisation had rigid views about the value of FWAs. Just over one-quarter (26%) of respondents did not believe that their managers were capable of managing flexibility. Increased levels of employee engagement were identified as a benefit of flexible workplaces. While FWAs may not be the sole contributor to increased engagement, organisations widely recognised FWAs as an important contributing factor. More than one-third of respondents saw an increase in employee engagement of 0–5% and 15% identified a 6–10% increase. The report recommends that HR develop better monitoring of flexible arrangements to prevent arrangements being ‘derailed’ by line managers, and more education for managers around the business benefits of FWAs.

These early results of increased levels of employee engagement supports the business case for FWAs. Increased employee engagement has been linked to increased motivation, lower absenteeism and higher productivity. As shown in a later study on FWA implementation in Australia by Sweet et al. (2017), misalignment of line manager attitudes and organisational interests present persistent barriers to FWA implementation, which slow the ability of organisations to develop flexible schedules and more productive work environments.

22. Kelliher, C. and Anderson, D. 2010. 'Doing More with Less? Flexible Working Practices and the Intensification of Work'. *Human Relations*, 63(1): 83–106.

Kelliher and Anderson examine the effects of adopting flexible working practices on work intensification among workers who have less face time in the workplace. The study focuses on remote working and reduced working hours. Findings are drawn from three multinational companies in the UK that had offered flexible work schedules to employees for several years, from the information technology, pharmaceutical and consulting sectors. The study adopts a mixed methods approach, with data collected through mainly qualitative techniques in focus groups and 37 semi-structured interviews. A questionnaire was also given to both flexible and non-flexible workers, with a total of 2,066 responses across the three organisations. All respondents had requested flexible work schedules. No questions specific to work intensification were asked, with a focus on measuring employee outcomes (job satisfaction, organisational commitment).

It was found that flexible workers recorded higher levels of job satisfaction and commitment to the organisation than non-flexible workers. Workers on reduced hours and those working remotely were associated with patterns of work intensification. Workers on reduced hours recorded lower levels of stress than non-flexible workers, job satisfaction and the perception of career progression. Negative outcomes normally associated with work intensification were not evidenced due to the greater value employees placed on benefits of flexible arrangements. It is posited that the incidence of high job satisfaction and organisational commitment in conjunction with work intensification can be explained through employees trading flexibility for effort. Work intensification can thus be seen as a better matching of the supply and demand for labour. The study also raises the issue that traditional work patterns may be less adequate for optimising employee work effort (via organisational commitment and job satisfaction).

This study is relevant to a business case for flexible working arrangements. It shows that remote working and part-time work can facilitate greater employee effort, without negative impacts on wellbeing, with better work–life balance outcomes. The limitation of these findings is the possibility of cumulative negative effects of work intensification, which could be investigated through longitudinal studies. Findings are also specific to professional employees who may exercise greater control over their jobs.

23. **Moen, P., Kelly, E., and Hill, R. 2011. 'Does Enhancing Work-Time Control and Flexibility Reduce Turnover? A Naturally Occurring Experiment'. *Social Problems*, 58(1): 69–98.**

Moen et al. investigate turnover effects from the introduction of a Results Only Work Environment (ROWE) innovation. The ROWE was introduced to move away from standard work time practices and increase employee work-time control and flexibility. This was viewed as a key way to increase employee productivity and foster results-based performance. The study seeks to uncover if offering employees more flexibility can reduce turnover and second, if typical factors associated with turnover intentions (low job satisfaction, poor health, high job insecurity or low tenure) are moderated through participation in ROWE. The study draws on data from a pre- and post-ROWE survey of 775 employees from a private sector firm (Best Buy), and administrative data of turnover over the 8-month period following the implementation of the FWAs.

It was found that ROWE reduced turnover odds among participating employees by 45.5%. These results were unaffected by employee age, gender or family life stage. It was found that greater flexibility moderated turnover risk arising from organisational tenure, negative home-to-work spillover, physical ailments and job insecurity, with ROWE-participating employees reporting these conditions less likely to leave the firm. For employees with long organisational tenure, ROWE-participating employees had a declining rate of turnover, while employees outside ROWE had an increase rate of turnover. In analysing the two data waves, the ROWE innovation was also found to reduce turnover intentions among employees that remained with Best Buy. Of note, was the decline in the turnover intentions among parents (men and women with children under 18) as well as family-supportive company culture predicting reduced turnover intentions.

This study contributes to the business case for FWA initiatives by showing that employees with greater access to flexibility policies are less likely to leave than those in less flexible arrangements. Turnover is expensive, raising costs of recruitment and training, particularly for a skilled, educated workforce. The reduction in turnover among employees with longer organisational tenure suggests that greater flexibility can allow firms to retain important knowledge and skills. Increasing access to flexible arrangements for parent employees would reduce their turnover intentions. Best Buy has also continued to implement this program, indicating its ability to fulfil aims of improving labour productivity.

24. **McNall, L. A., Masuda, A. D. and Nicklin, J. M. 2010. 'Flexible Work Arrangements, Job Satisfaction, and Turnover Intentions: The Mediating Role of Work-to-Family Enrichment.' *The Journal of Psychology*, 144(1): 61–81.**

The authors examine the effect of (1) employees' access to two flexible work arrangements (flextime and a compressed work week) on work-to-family enrichment and in turn, (2) the relationship between work-to-family enrichment and job satisfaction and turnover intentions. 'Work-to-family enrichment' refers to the extent to which experiences in a work role improve quality of life in the family role. Where work-family conflict is most often investigated in studies of the work-family interface, this study considers the 'positive' side of the interface through the ability of flexible schedules to enrich role balance. Thus, the study tracks how control over work time translates into improved family/personal time, and how this enrichment relates back to organisational outcomes through higher job satisfaction and reduced turnover intentions. A sample of 220 working adults was used, with participants recruited from an internet database.

It was found that availability of flexible schedules positively influences work-family enrichment. Both flexible arrangements and enrichment were related to higher job satisfaction and reduced turnover intentions. Work-to-family enrichment played a mediator role, evidencing the significance of employees' work-family balance when investigating the effects of flexible schedules on organisational outcomes. This study shows that flexible schedules assist employees to experience greater enrichment translating work roles to home roles, which is in turn associated with higher job satisfaction and reduced turnover intentions. While the study examines the effects of only a narrow scope of flexible work practices, both flextime and a compressed work week can be viewed as representative of greater employee work-time autonomy.

25. Future of Work Institute. 2012. *The Benefits of Flexible Working Arrangements: A Future of Work Report*, Report Prepared for the Future of Work Institute. August.

This report presents findings from UK businesses on the impact of flexible work schedules on firm performance. The report draws a qualitative survey of Employers Group on Workplace Flexibility (EWF) in the UK and participating firms' performance data. The EWF is comprised of 20 small, medium and large companies such as Bupa, Citi, Ernst and Young, Ford and BP, covering multiple sectors and more than 500,000 workers.

It was found that flexibility allowed firms to shape work according to personal work styles and better respond to fluctuations in workload. At the employee unit level, flexibility increased employee productivity through creating a culture of performance, shifting focus from the measurement of presence to output. As well as productivity, flexibility was associated with more motivated employees. For instance, at Cisco, where 90% of all employees work remotely at least one day a week, remote workers were found to be 5% more productive compared to office-based employees. The firm has seen a 7% increase in employee likelihood of staying at Cisco and a

26% reduction in attrition. Introducing flexible work arrangements allowed firms to reduce business travel costs and save on infrastructure costs through reducing office occupancy. For example, BT, a company employing 70,000 flexible workers saves approximately £700 million a year on property costs and has reduced absenteeism by 60%. Flexible work has increased engagement and retention. A study by Ernst and Young found a link between flexibility, upper quartile engagement scores and a 10% increase in retention. Presenting choice increases retention by providing alternative ways of working to employees who may have left the company, reducing turnover costs. EWF companies have seen an increase in the number of women reaching senior roles by providing access to flexible work for working mothers and those returning from maternity leave. For instance, at a law firm Addleshaw and Goddard, flexible work was one of the most important factors to retaining women workers.

For EWF companies, flexible work arrangements positively impacted upon firm performance. Benefits were marked for small- and medium-sized businesses and not just large firms, which are typically better positioned to offset risks of organisational change. Of note to the present study in the Australian context, EWF companies noted the limitations of the traditional 9–5 work model for operating in a changing global business environment. The model was viewed as longer serving to foster employee commitment, engagement and productivity. Flexibility provisions for parent employees could assist Australian businesses to begin restructuring work patterns so that they may better compete.

- 26. Council of Economic Advisors, Executive Office of the President of the United States. 2010. *Work–Life Balance and the Economics of Workplace Flexibility*. Available from <https://obamawhitehouse.archives.gov/files/documents/100331-cea-economics-workplace-flexibility.pdf>**

The Council of Economic Advisors (U.S.) consider the changes in the US workforce that have increased the need for flexible workplace policies and practices, assess the state of flexible working arrangement (FWA) adoption, and outline the benefits of flexible schedules to firms and the wider economy. It is argued that the benefits of adopting FWAs potentially outweigh costs through reducing absenteeism, reducing turnover, improving workers' health and increasing productivity. The report profiles one study on flexible scheduling and absenteeism in a single large public utility company. The organisation adopted flexible scheduling in one of its sub-units in a one-year trial, while retaining standard arrangements in its other units. During the trial, the flexible sub-unit reported a more than 20% reduction in absences (days per year), with absenteeism in the other sub-units unchanged. When the company returned to standard scheduling for all sub-units after the one-year trial, rates of absenteeism in the previously flexible sub-unit increased to that of the other sub-unit group.

The report suggests that firm hesitance to implement FWAs may be due to insufficient information and suggests that firms in less competitive industries such as manufacturing may be less likely to adopt more efficient HR practices. This is supported by research showing that competition is positively correlated to better quality management and likelihood of implementation of family-friendly work practices, and better quality management associated with higher productivity (Bloom and van Reenan 2006, Bloom et al. 2011). Since this study was conducted in 2010, more research has been undertaken to identify the mechanisms through which FWAs benefit firms (e.g. retention, lower turnover, improves sales and labour productivity).

27. Bond, J. T. and Galinsky, E. 2006. *How Can Employers Increase the Productivity and Retention of Entry-Level, Hourly Employees?* Research Brief No. 2. New York: Families and Work Institute.

This report examines the effect of work–life balance (WLB) practices on the low-wage, low-income workforce. It seeks to uncover how employers can increase the productivity and retention of entry-level, hourly employees through creating ‘effective workplaces.’ Effective workplaces foster employee effectiveness through improving job autonomy, on-the-job learning opportunities, and creating flexible workplaces. The report presents findings drawn from the 2002 National Study of the Changing Workforce (NSCW) conducted by Families and Work Institute, which contains interview results from representative national samples of the US workforce for 2002–2003 (total n = 3,504 workers).

The results suggest that creating effective workplaces for all workers has positive impacts on entry-level, hourly, low-wage and low-income workers that are similar to, and sometimes greater than, the impacts on medium- and higher-income workers. Greater job autonomy and workplace flexibility were more strongly related to lower negative spillover of life to work for low-wage and low-income workers than mid and high-wage and –income workers. In turn, lower negative spillover was associated with higher productivity. Further, the combination of greater on-the-job learning opportunities and greater flexibility had more favourable effects on the job satisfaction levels of low-wage and –income workers than other workers. When workers are given more responsibility and are supported at work, they are more satisfied with their jobs, more committed to their employers, potentially more productive, and more likely to be retained. To the present research, this study offers insights into the positive impact of WLB practices among low-wage, low-income workers—a cohort without much attention in the literature. Analyses of the costs of introducing some on-the-job training and greater flexibility in relation to current costs of high turnover and recruitment in firms employing low-wage workers should be pursued.

Costs of absence in Australia

- 28. Direct Health Solutions. 2016. *2016 Absence Management Survey Report*. Available from <http://www.dhs.net.au/insight/2016-absence-management-survey-results/>**

This report presents the findings of a survey conducted by an absence management service provider on absenteeism levels, well-being and management practice in Australian businesses. It draws on data from 109 firms employing more than 240,000 workers. It was found that average absenteeism levels increased in 2016 by 0.9 days from 8.6 days per employee per year in 2015, to 9.5 days. The average cost to employers of absenteeism was estimated at \$3,608 per worker per year and the cost to the economy estimated at \$43 billion. When factoring in indirect costs of absenteeism such as replacement labour, lost productivity and higher risk, absenteeism was found to cost organisations up to 8% of total payroll costs. Absenteeism was highest in the telecommunications sector (11.6 days), followed by the public sector (10.9 days) and transport and logistics (10.8 days). This source provides evidence of the significant costs borne by firms for employee absence, for which flexible schedules may help to address.

- 29. The Australian Industry Group. 2016. ‘Absenteeism and Presenteeism Survey Report 2015’. Available from <https://www.aigroup.com.au/policy-and-research/industrysurveys/absencesurvey/>**

A large employers’ association present the results of a 2015 survey of Australian firms on the costs of absenteeism. The survey collects information on total unscheduled absences taken by employees in the last financial year, personal leave entitlements provided and the cost of unscheduled absence. Of all respondents, 74% said that absenteeism was a significant cost to their business which risked competitive advantage. However, less than half of all firms had a dedicated policy for managing absenteeism. The report estimates the direct costs of absenteeism to organisations at approximately \$578 per employee, per absent day, and the costs to the Australian economy at approximately \$44 billion. One out of five businesses did not have a system for measuring and reporting employee absence.

These results show that absenteeism poses a significant burden on Australian businesses and the wider economy. Uptake of flexible work arrangements can decrease absenteeism (Heywood et al. 2015). The Australia Industry Group survey also highlights the need for better HR working hours reporting systems. Statutory rights to flexible schedules for parent employees may facilitate obligations on employers to develop better records of working hours, which could facilitate better business management.

30. **Medibank. 2011. *Sick at Work: The Cost of Presenteeism to Your Business and the Economy*. July 2011. Available from http://www.medibank.com.au/Client/Documents/Pdfs/sick_at_work.pdf**

Medibank consider the costs of presenteeism to firms and the wider economy. Presenteeism costs refer to productivity losses from workers attending work when physically or psychologically unwell. This report draws upon and updates the results of a 2007 economic modelling paper undertaken by KPMG Econtech. The study estimated productivity losses resulting from 12 common medical conditions. International estimates of on-the-job productivity losses from each condition were applied to data on the prevalence of each condition in the Australian working population. Presenteeism costs identified are the direct costs to employers of productivity losses, indirect costs to the Australian economy from aggregated productivity losses, and indirect costs to the economy due to changes in capital intensity and other second round effects.

In 2005–06 the total costs of presenteeism to the Australian economy were estimated at \$25.7 billion. In 2009–10, they were estimated at \$34.1 billion. On average, 6.5 working days of productivity per year are lost per employee due to presenteeism. Compared to a scenario of no presenteeism, this equates to a decrease in GDP of 2.7% and a decrease in private consumption of 3.3% or \$22.6 billion. Aggregated productivity losses from presenteeism have a negative impact on the economy. Poor work–life balance and high levels of stress are identified as leading contributors to presenteeism.

This study provides insight into the costs of fixed hours work environments. For parent employees without access to flexible schedules, they may be less likely to take absence for their own health-related conditions if they currently take absence to care for dependents, instead choosing to work when unwell. Access to more flexible schedules may allow parent employees to meet their caring labour demands without the associated negative effects upon employee work–life balance, and in turn, addressing productivity losses from absenteeism and presenteeism.

Small and medium enterprises: FWA implementation and best practice

31. **Gilfillan, G. 2015. ‘Statistical Snapshot: Small Business Employment Contribution and Workplace Arrangements’. Research paper series 2015-16. Canberra: Department of Parliamentary Services.**

Drawing on ABS data, this report provides an overview of the degree to which small businesses (defined as less than 20 employees) provide flexible working arrangements to their employees. At 2014, small businesses accounted for the largest share of total employment in Australia at 44%, whereas medium-sized businesses comprised 24.3% share and large businesses had 31.7%. Table 3 extracted from the report provides an overview of the provision of flexible work arrangements (FWAs) and paid parental leave by firm size. It shows small businesses are less likely to provide paid parental leave or FWAs to their employees than medium and large firms. However, when excluding leave policies, FWA provision in small business (5–19 persons) is not much lower than that of medium-sized businesses (20–199 persons). This suggests that smaller firms do not face any barriers pertaining to organisational size concerning provision of non-leave-based FWPs such as flexible work hours, selection of own shifts or roster, jobshare and remote working. The value of this snapshot to the present research is to demonstrate the ‘state of play’ for FWA implementation among small Australian firms.

Table 3: Provision of flexible working arrangements by firm size—at June 2014

| Employment size | Flexible work hours (e.g. to enable employees to deal with non-work issues) | Ability to buy extra annual leave, cash out annual leave or take leave without pay | Selection of own roster or shifts | Job sharing | Ability for staff to work from home | Paid parental leave | Flexible use of personal sick, unpaid or compassionate leave (e.g. to care for other people) |
|----------------------------|---|--|-----------------------------------|-------------|-------------------------------------|---------------------|--|
| 0–4 persons | 43.8 | 7.5 | 16.5 | 5.7 | 16.6 | 2.4 | 13.2 |
| 5–19 persons | 65.9 | 23.8 | 25.5 | 14.5 | 17.8 | 9.4 | 34.3 |
| 20–199 persons | 73.9 | 40.8 | 26.4 | 17.1 | 27.9 | 24.1 | 58.7 |
| 200 or more persons | 86.4 | 65.5 | 34.3 | 41.1 | 63.3 | 68.5 | 75.9 |
| Total | 53.4 | 15.6 | 20.2 | 9.6 | 18.1 | 6.6 | 23.7 |

Source: ABS, Selected Characteristics of Australian Business, 2012–13, Cat. No. 8167.0.

32. Dex, S. and Scheibl, F. 2002. *SMEs and Flexible Working Arrangements*. Bristol: Policy Press.

This extensive report explores the question of how flexible work arrangements (FWAs) are supported in small and medium enterprises (SMEs) (fewer than 500 employees). It seeks to uncover which SMEs respond to work–life balance circumstances, if good practice can be transferred across firms with similar working patterns, and to provide practical examples of

SMEs that have implemented FWAs. Thus, to the present research it offers insights into best practice and how FWA implementation barriers are being overcome within SMEs. The study drew on a case study approach, with questionnaires and interviews with HR representatives/general managers across 23 SMEs in East Anglian, England. The ‘high-flex’ cohort was mostly recruited one year earlier in a prior study, allowing for longitudinal analysis. While recruiting ‘low-flex’ SMEs, the authors found very few were completely without FWAs with the majority of SMEs having informal arrangements in place. This preliminary finding suggests survey data underestimates the extent of FWA presence (and overestimates the number of SMEs with zero arrangements).

Three approaches to providing FWAs were identified: (i) resistance to flexibility, where traditional working patterns were dominant; (ii) holistic embrace of flexibility, where flexibility was available to almost all employees and integrated into workplace culture (thus, offering preventative measures before crisis or burnout); (iii) a selective approach, where flexibility was available to certain individuals (usually more elite or senior workers), viewed as an individual worker issue and a problem to be resolved. In holistic approach SMEs, the type of work undertaken spanned sectors (administrative, skilled manual, managerial, professional, marketing, semi-skilled factory hands), and had open management styles, high employer–employee trust relations and employee agency. Employees appreciated flexibility and displayed loyalty and trust towards their employer, which was not seen to the same extent in other SMEs. The holistic SME profile was more than 50% women and dominated by parents in the 25–35 age group, most with young children. The main drivers for FWA provision in holistic firms were managers’ experience of work–life imbalance, evidence of economic benefits through staff retention and higher productivity, face-to-face recommendations through seminars and workshops, and employee requests.

The barriers to change identified by managers of low-flexibility SMEs were: additional work and red-tape, loss of clients, lower employee productivity and difficulty managing FWAs. When comparing matched businesses offering FWAs and those not offering FWAs with similar business constraints and industry settings, barriers were not deemed insurmountable. For instance, the need to meet client demands for individual firm contacts across longer work hours and higher work volumes was raised by SMEs resistant to FWAs. However, comparable firms had implemented FWAs such as staggered start time, part-time hours and internal cover to address this constraint with no negative impact on performance. Recognising operational constraints, the comparison does indicate flexibility can be incorporated in different ways in a range of workplaces without negatively impacting on productivity or employee morale. Building management systems based on trust, being open to different ways of organising work and using technology, and fostering better employer–employee communication can all assist SMEs with implementation. It was found that FWAs relating to hours of work rather than periods of leave

would be the easiest for SMEs to adopt. Team work, multi-skilling and flexibility credit systems were recommended as transferable practices to other SMEs in similar lines of work. One policy implication of the study is that FWAs could be promoted through an employee entitlement to present a business case to their employer outlining benefits and costs. This approach would be low cost, foster employer–employee partnership, and address time constraints faced by small business that significantly hinder the re-organisation of working arrangements.

33. Gordon, C. E. 2014. ‘Flexible Workplace Practices: Employees’ Experiences in Small IT Firms’. *Industrial Relations*, 69(4): 766–784.

Gordon conducts a multiple case study on flexible workplace practices (FWPs) in 18 small Canadian information technology (IT) firms. Of the 18 firms, 17 employed 4–20 individuals, 10 had operated for less than 10 years, and 7 operated for 11–20 years. Most firms specialised in software and web development (72%), followed by consulting (22%) and systems analysis and support (6%). Data were collected from 103 web surveys and 136 semi-structured interviews of employees, as well as 17 reports, observational field notes and HR documents. A theoretical lens of different control strategies implemented by management in the labour process was adopted, with respect to levels of worker agency. Simple, indirect, unstructured control forms such as responsible autonomy were presumed to better facilitate FWA use, and more time-oriented direct control forms such as close observation and fragmentation of work into routine tasks was presumed to restrict FWP use. Due to little variation between firms in FWP availability, firms’ flexibility status was determined through FWA take-up.

A typology emerged from the data whereby firms were categorised as ‘flexible/favourable’ (if three or more FWPs in use), ‘flexible/contradictory’ (two FWPs in use), and ‘rigid’ (one or fewer FWPs in use, coupled with time-oriented practices). No variation was found between the three firm types with regard to firm-specific characteristics. Rigid firms were characterised by regular long hours work and practices of owing back time to management (i.e. in instances of taking sick leave). Owing time constituted a direct control method by reprimanding employees for unfavourable behaviours. As a result, employee use of FWPs was avoided due to perceived consequences. Flexible/favourable firms were characterised by high trust, supportive FWP cultures and reciprocal exchange practices where employees offered flexibility to meet business demands in exchange for flexible arrangements. In flexible/contradictory firms, long hours culture often contradicted employees’ access to FWPs, but employees had higher job satisfaction than those in rigid firms.

This study shows that experiences of FWPs in small firms are influenced by overarching management strategies. The lens of direct/indirect control strategies provides a tool for

understanding how small firms with zero FWP and firms with some flexibility, but contradictory FWP access, are differentiated. Both firm types may require long hours work, but indirect control strategies focused on autonomy and job task outcomes better supported FWP implementation.

34. Kroon, B., Van De Voorde, K. and Timmers, J. 2013. 'High Performance Work Practices in Small Firms: A Resource-Poverty and Strategic Decision-Making Perspective'. *Small Business Economics*, 41:71–91.

Kroon et al. examine whether the implementation of high performance work practices (HPWPs) depends on resource scarcity—reflected in the size of the firm—and on the strategic decision-making of employers of small firms based on their expertise and attitudes. Due to organisation size and prevalence of familial-based relationship structures, owner-managers of small firms most often hold HR responsibilities. Thus, their knowledge and attitudes will affect the translation of particular issues or problems into HR interventions. To address this, the authors examined the expertise and attitudes of employers through measures of entrepreneurial orientation, innovation in HR vision and HPWP best-practice awareness. To understand the interactions between and impacts of different HPWPs on firms, the authors adopted the 'AMO' model. Individual ability practices (A) improve individual job performance and were measured in this study through (i) willingness to develop employees' skills, and (ii) amount of internal and external training. Motivation practices (M) were measured through (i) payment of above-average salaries and benefits, (ii) presence of employee career plans and (iii) extent of information sharing in the firm. Opportunities to perform practices (O) were measured through (i) employee autonomy in work planning and decision-making, (ii) participation in firm direction-setting, and (iii) teamwork. The cross-sectional study drew on the survey of 45 small Dutch firms and 211 employees, evenly split between service and construction sectors. Data were obtained through questionnaires for both entrepreneurs and employees. Small firms were defined as those with fewer than 50 employees and with an annual turnover of less than €10 million.

It was found that rather than full HPWP systems, small firms adopt particular bundles of HPWPs. In line with the resource-poverty perspective, small firms were found to employ less 'ability' and 'motivation' practices due to firm scale limitations. In particular, formal training and higher salaries presented high costs for small firms. However, size alone did not explain all variation in AMO bundles in small firms. First, entrepreneurial orientation of small business owners shaped preferences about HPWP investment. Second, when entrepreneurs were more aware of best practice, employees reported the presence of more 'opportunity' practices, such as job autonomy. Third, there was a relationship between entrepreneurs' preference to adopt a more innovative HR strategy and greater scope of all three AMO bundle practices available, and this relationship was most prominent in smaller firms.

For the present research, the evidenced benefits of family-friendly workplace practices (FFWPs) may be broadly aligned with the AMO model. For instance, FFWPs can increase motivation of employees through reciprocal interactions, improving productivity. Some FFWPs also focus on increasing job autonomy, such as flextime and remote working. Thus, FFWPs may be considered a branch of HPWPs also aimed at enhancing workforce organisation and capabilities to improve organisational performance (Sung and Ashton 2005). To the analysis of new HR practices in small firms, this study shows that size alone (i.e. resource scarcity) does not explain the absence or presence of HPWPs. The expertise and attitudes of entrepreneurs driving strategic decisions in the firm work to moderate the effect of limited resources upon uptake of HPWPs. Strategic choices are made about which AMO practices are prioritised for investment and the human capital of owner-managers influences decision-making. The link between employer knowledge about best practice and more ‘opportunity’ practices suggests that knowledge of the benefits of advanced HR practices on firm performance may assist small firms to adopt new practices, implementing initiatives that empower and involve employees.

35. Drummond, I., and Stone, I. 2007. ‘Exploring the Potential of High Performance Work Systems in SMEs’. *Employee Relations*, 29(2): 192–207.

This paper explores aspects of employee relations within *The Sunday Times*’ list of the UK’s ‘Best Small Companies to Work For’ with focus on the use of high performance work systems (HPWS) and their impact on performance. The impetus for the study is the lack of understanding of the mechanisms in which HPWS link to employee outcomes, and in turn, to firm performance in a SME context. Family-friendly policies and flexible working are positioned in the study as one ‘bundle’ of HPWS. The study used a postal survey and follow-up face-to-face interviews with CEOs in 60% of the ranked firms (30 in total). The majority of firms in the sample employed 50–250 people, spanned firm age and were spatially and sectorally diverse.

It was found that the firms outperformed others in their sector in terms of employment growth and sales. Partial evidence was found to claims that HPWS as a system of HRM practices improved business performance. However, the authors argue that enhanced outcomes for firms should be understood as a whole system, rather than specific concrete practices. It was found that governing ‘philosophies’ shaped and sustained mechanisms underpinning HPWS and their high performance. The high cost of HPWS was viewed as a value-add practice which increased the quality and price of goods and increased staff retention. The authors conclude that values, cultures and norms are part of firm performance systems and are fundamental to the shape, function and reproducibility of HPWS practices. To the present research, this study demonstrates that (1) high performing firms embrace FWAs; (2) cultural practices, values and norms form the framework supporting new workplace practice implementation. Ensuring these ‘settings’ are supported will be important to effective introduction of new FWAs.

Gender Economics

36. **Argyrous, G., Craig, L. and Rahman, S. 2017. 'The Effect of a First-Born Child on Work and Childcare Time Allocation: Pre-Post Analysis of Australian Couples'. *Social Indicators Research*, 131(2): 831–851.**

This study analyses the time allocation of mothers and fathers to paid work and childcare after the birth of their first child. This annotation focuses on time allocation to paid work. Data was drawn from the Australian Longitudinal Survey of Australian Children (LSAC), capturing both pre-birth and post-birth variables, including workplace flexibility (ability to change work hours and take leave). The final sample included 804 first-time parent couples with a child 0–12 months.

Childbirth and its association with paid work hours was found to predominantly affect mothers, with a 'default' position among couples of no impact on fathers' work hours. Of the mothers working before the birth of their first child, 28% exited the labour market compared to 2.3% of fathers. For mothers continuing to work after the birth of a child, the mean change in work hours was -14 hours. Factors relating to decisions by mothers to remain in work following the birth of the first child included absolute pre-birth salary of both parents, mothers' level of education, access to paid parental leave for the mother, and workplace flexibility in the father's role. The strongest correlation for mothers' lesser amount of work hours was with changing employers. This suggests women are changing employers to access jobs with fewer work hours and/or greater flexibility.

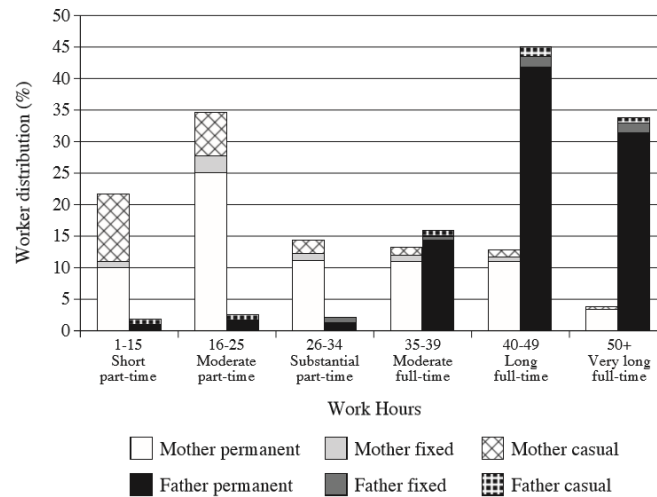
This study is important to the present research because it evidences the role of workplace flexibility in increasing female workforce participation, including hours worked. The ability to decrease working hours and have access to leave emerged as most important factors in allowing mothers to remain attached to the labour market. However, the strong correlation between changing employers to access jobs with less hours represents turnover costs and loss of firm-specific knowledge and skills. It also indicates likelihood of occupational downgrading, with associated costs of underutilisation of skills and unrealised investment in education. The positive correlations between a father's job flexibility and mother's workforce participation, suggests that addressing factors that limit a father's ability to change his paid work–childcare balance can increase mothers' participation in paid work.

37. Charlesworth, S., Strazdins, L., O'Brien, L. and Sims, S. 2011. 'Parents' Jobs in Australia: Work Hours Polarisation and the Consequences for Job Quality and Gender Equality'. *Australian Journal of Labour Economics*, 14(1): 35-57

Charlesworth et al. document the gendered polarisation of paid work hours between mothers and fathers in Australia and explore the links between work hours, job quality and employment contract type. A large national sample of Australian parent employees from the Longitudinal Study of Australian Children 2006–07 is drawn upon, focusing on mothers and fathers with a child aged 6–7. The authors seek to uncover whether contract type and job quality costs are the same for shorter and longer working hours. The authors develop a measure of job quality based on the presence or absence of five family-friendly provisions and conditions of working parents' well-being: job control, perceived job security, flexible hours, paid family leave (including paid maternity/parental leave), and workload. Other dimensions of job quality would make for a more complete analysis of job quality from a 'family friendliness perspective' such as wage levels and career progression (see Chalmers et al. 2005), but the authors were limited by the data set.

The study evidenced a clear gendered polarisation of work hours among Australian parents with 70% of mothers working part-time hours of 34 or under and 94% of fathers working full-time of 35 hours or higher. Table 1 has been extracted from the article and presented below as a useful summary of findings on gender, working hours and contract type for working parents. When correlated with the job quality measure, moderate full-time hours (35–39 hours) for both mothers and fathers were the jobs with the best job quality and secure employment contracts. Very short hour jobs (less than 15 hours) were generally worked by mothers and were associated with poor job quality and casual contracts. Of significance is the finding that more than one third of all fathers worked very long hour jobs (more than 50 hours), which were also linked to poor job quality (driven by heavy workload). Thus, job quality increased with hours worked for both groups, but only up to moderate full-time hours. Beyond this, an increase in hours was associated with a drop in job quality.

Figure 1. Distribution of Australian mother's and father's¹ work hours by contract type 2006-07 (Charlesworth et al. 2011)



¹ Sample of mothers and fathers with a child between the age of 6 and 7

Data from Longitudinal Study of Australian Children 2006–07

This study provides a valuable snapshot of working life for parent employees. While other studies have shown an association between poorer quality jobs and part-time hours (Strazdins et al. 2007), this study illuminates both ends of the parent employee spectrum, with job quality declining for those parents on part-time hours (usually mothers) and for parents working beyond moderate full-time hours (usually fathers). Increasing access to flexible work schedules may help to address Australia's pattern of high gendered polarisation in working hours (higher than OECD average, Usalcius 2008) and increase women's labour force participation.

38. Connolly, S. and Gregory, M. 2008. 'Moving Down: Women's Part-Time Work and Occupational Change in Britain 1991–2001'. *Economic Journal*, 118: F52–F76.

This study investigates the extent to which women in the UK change occupation on switching to part-time work (defined as less than 20 employees), and the extent to which the part-time-enabled occupation requires a lower level of qualification or skills. After identifying the incidence of downgrading, the authors empirically measure the value of this underutilisation of human capital based on average years of education underutilised. An occupational grouping and ranking model is constructed based on average level of qualification held by individuals within

each grouping. The Earnings Survey Panel Dataset (NESPD), a large employee-based survey, and the British Household Panel Survey (BHPS), are drawn upon to track occupational trajectories and gain information on personal and household characteristics for women aged 22–59 for the years 1991–2001.

A significant degree of occupational downgrading was found. As a proportion of women switching to part-time work, at least 14% and potentially up to one-quarter of women move to an occupation where the average qualification level is below that of their prior full-time job. This represents significant underutilisation of skills. It was found that 31% (NESPD) and 36% (BHPS) of individuals switching into part-time employment also changed employer. In the BHPS sample, 41% of women who moved into part-time work and changed employer moved down the occupational ladder. Occupational downgrading affected 29% of women from professional and corporate management backgrounds and up to 40% of women in intermediate skill-level jobs. The highest levels of downgrading were identified among women in smaller-scale managerial positions, in hospitality, salons and shops, where almost 50% move from managerial and supervisory responsibilities to standard service and sales assistants. A large majority of women switching to part-time from full-time while staying with their current employer, remained at their occupational level, demonstrating that downgrading risk significantly decreases when women remain with their current employer. Of the 20% of professional women downgrading to move to part-time work, 44% moved into low-skill jobs, implying four or more years of education underused. Downgrading among associate professionals was 22%, with more than one third moving into the lowest-skill occupations such as sales assistants. Average underutilisation of education among professionals was 2.7 years.

It was found that presence of a pre-school child increased risk of downgrading for mothers leaving current employers for a new part-time position by only 3–5 percentage points (from 35%), with risk effects reversing when the child reaches primary school. Conversely, risk of downgrading is most strongly influenced by (insufficient) part-time hours opportunities within female employees' current occupations. This indicates that demand for part-time workers, rather than supply side impacts of household characteristics, are core in determining the risk of downgrading. Evidencing career and salary penalties, as well as corresponding disincentives for women labour force participation, downgrading for women leaving the labour force and returning on part-time hours was double that of women with uninterrupted employment trajectories.

As the UK labour market holds strong similarities to the Australian context, the incidence of widespread occupational downgrading for women moving from full-time to part-time hours should be cause for concern. Downgrading indicates widespread efficiency losses through underutilisation of the skills of women in part-time work, as well as loss of firm-specific

knowledge and skills when women change employer due to inability to access part-time arrangements. Increasing availability of opportunities for part-time work within women's existing jobs is key to curbing downgrading and associated underutilisation of women workers' actual and potential human capital.

- 39. Ibanez, Z. 2011. 'Part-Time in Skilled Jobs: The Case of Teachers in the UK, Spain and the Netherlands'. In *Work-life Balance in Europe: The Role of Job Quality*, eds S. Drobnic and A. M. Guillen. New York: Palgrave Macmillan, 149–173.**

Through a multi-country comparison, Ibanez explores the institutional obstacles faced by workers in skilled work who prefer part-time hours, focusing on the divisibility of work tasks and compatibility with part-time contracts. The study looks at occupational group—primary and secondary school teachers—and presents a case-oriented analysis drawing on documentary information and in-depth interviews with human resources managers, key informants and teachers, across the UK, Spain and the Netherlands.

Across education sectors between the countries, no absolute determinant of what constitutes a suitable percentage of part-time workers was found. Even if the factors driving growth in part-time work were different, higher numbers of part-time employees reflected wider acceptance of part-time hours and greater organisational adaptation capability to part-time work. Decoupling of an organisation's operating timetable from employee hours were found to increase the divisibility of jobs. These factors were present in the high-performing Dutch education system, where approximately half of all teachers in the sector work part-time. Regulation of overtime was also a key factor linked to the normalisation of part-time work and determining part-time work proportionality, whereas long hours culture in the UK and Spain undermined proportionality.

Considering some core assumptions of working time patterns in skilled work, the author points to research into skilled work in high-knowledge fields showing that the cumulative effect of total number of working hours and expertise required for a given occupation is not linear. In many occupations, after 40,000 hours of a specific activity, an individual is not more productive or innovative than that person was at 6,000 hours (Sennett 2008, Ericsson et al. 2007). This suggests that productivity of a worker with five years' experience is similar to one of 20 or 30 years' experience. In the case of transitions to part-time hours once a worker has arrived at a skilled position, it is argued that it is not clear what constitutes the minimum number of hours per week required to secure adequate performance per hour, and that most tasks are divisible. This has been supported by several tribunal cases in the UK which ruled in favour of rights to part-

time hours (Marshall, head teacher in 1999, Starmer, pilot, in 2005). The author concludes that limits to part-time work are not due to incompatibility between tasks and time arrangements, but due to institutional and organisational limits.

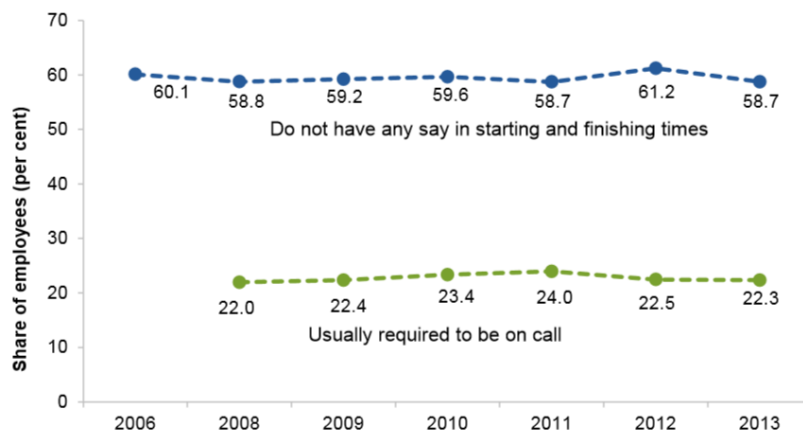
For the present research on the effects of flexible work on firm performance, this study contributes insights into the qualitative changes required to support part-time work growth within a skilled sector. Increasing access to part-time work is a key motivator for structural change to organisations. The value of this study is that it also offers insights into how new working time patterns can be best implemented and harnessed to improve performance. The Dutch example demonstrates how the standardisation of different working time patterns alongside investment in transparent systems linking divisible working time units, outputs and rewards, can have a positive effect on performance.\

Australian Government Research

40. Productivity Commission. 2015. *Workplace Relations Framework. Inquiry Report No. 76.* Canberra: Productivity Commission.

The Productivity Commission (PC) review the workplace relations framework, with consideration for the adaptation capacity of the framework to longer term structural changes in the global economy. The PC recognise the importance that workplace flexibility suit both parties to the employment contract and refer to data on the (limited) range of workplace flexibilities available to employees over the decade 2006–13, evidencing that there has been little change (Figure 2.13 extracted from the report below). To the present research, this evidences institutionalised inflexibility in work and family time allocation capacity among Australian workers.

Figure 2.13 Flexibility for employees
2006–2013^a



^a The figure for the share of people required to be on call in 2006 was not available from the Forms of Employment publication for that year.

Sources: ABS (various issues), *Forms of employment*, Cat. No. 6359.0; and ABS (various issues), *Working Time Arrangements*, Cat. No. 6342.0.

41. Productivity Commission. 2014. *Childcare and Early Childhood Learning. Inquiry Report No. 73. Canberra: Productivity Commission.*

The Productivity Commission (PC) presents its report examining options for reform to the childcare and early childhood learning system. Reforms to childcare subsidies are recommended, as well as broader reform to the interaction between taxation, family income support and transfer payments, and recommendations for greater flexible work provision to address disincentives for mothers to work. It was found that workforce participation of mothers could increase in the long-run if males, and particularly fathers, increased their uptake of flexible work arrangements (FWAs). This shift in social norms would provide social and economic benefits flowing from sharing the parenting load and pursuing more FWAs. Benefits cited include (1) mothers retaining their human capital, improving their career and salary conditions for the remainder of their working lives; (2) a reduction in the lifetime superannuation savings gap between men and women; and (3) improved bonding opportunities between fathers and children. The PC finds that workforce participation of mothers with children under 15 years is affected by parents' preference to care for their children, but that these preferences can be influenced by the provision of flexible work schedules and other family-friendly workplace practices.

Based on these findings, the PC recommends that employer and employee associations, the Fair Work Ombudsman, the Australian Human Rights Commission and the Workplace Gender Equality Agency trial new approaches to increasing awareness of employees' legal rights to

flexible work, promote more positive attitudes among employers, employees and the community about working parents taking up flexible work and other family-friendly arrangements. This recommendation supports the premise of the present research, demonstrating the positive role of increased access to flexible work schedules on mothers' labour force participation.

42. Productivity Commission. 2009. *Paid Parental Leave: Support for Parents with Newborn Children*, Report No. 47. Canberra: Productivity Commission.

This report presents the Productivity Commission's (PC) design of a statutory taxpayer-funded parental leave scheme. The scheme proposed is 18 weeks for either parent at the federal minimum wage and an additional two weeks paid paternity leave. Key findings from the PC's work on fertility rates are cited. It was found that rising fertility reflected increased access to part-time employment and access to flexible work arrangements, allowing women to combine work and childrearing roles. This suggests greater access to flexible jobs can have a positive effect on fertility rates. The key business motivations cited for introducing paid parental leave arrangements were that they signalled that firms were family-friendly and valued female staff (thus, presenting as an employer of choice), increased employee loyalty and promoted higher retention rates (reducing re-hiring and re-training costs). These employer-cited benefits mirror findings in the literature on the benefits of FWAs to firm performance.

As part of the analysis for parental leave, the PC assessed the impact of childrearing on female labour force involvement. It was found that women experience lower wages and lower accumulated superannuation than men during childbearing years, with forgone female earnings averaging over \$300,000 (2007 prices) for a representative family with a single child. For the present research, this suggests that allowing mothers the right to access secure part-time jobs within their existing occupations could address the significant earnings and career-development penalties, and associated disincentives for women's workforce participation.

43. Cassells, R., Vidyattama, Y., Miranti, R. and McNamara, J. 2009. *The Impact of a Sustained Gender Wage Gap on The Australian Economy*. Report to the Office for Women, Department of Families, Community Services, Housing and Indigenous Affairs. Canberra: National Centre for Social and Economic Modelling.

In this report, the National Centre for Social and Economic Modelling identify the determinants of the gender wage gap and the impact of the gap on economic growth. The gender wage gap was found to substantially effect economic performance (measured as GDP per capita) and the value of reducing the gap would be significant. It is estimated that a decrease in the gap of 1% (from 17% to 16%) would increase GDP per capita by around \$260 million. Closing the whole

wage gap could be worth around \$93 billion or 8.5 per cent of GDP. The effect of the wage gap on GDP was measured by its direct impact on economic growth and through indirect effects, including investment, fertility, hours of work and labour force participation. Analysis of the relationship between the wage gap and economic growth for each of the variables showed that the negative effect of the gender wage gap on Australia's macroeconomic performance stem primarily from disincentives to work more hours associated with lower female earnings relative to male earnings.

Increasing female earnings will lift total hours worked by female employees, lifting economic growth. For the present study on economic effects of FWAs, the labour force history and industrial segregation components of the gender wage gap are central. The former component shows that if women had on average the same amount of time in paid work, tenure with their current employer and tenure in their current occupation that men do, there would be a 7% reduction in the wage gap and a saving of \$6.6 billion in GDP. Providing better access to FWAs within female employees' existing occupations and in secure employment models may lessen the effects of earnings decline associated with dropping out of the workforce or occupational demobility. Secure, flexible jobs would create incentives to increase hours worked, positively impacting on GDP.

Other Government Reports

Working time regulations 1998–2014

- 44. Arrowsmith, J. 2000. *The Impact of the 1998 Working Time Regulations*. Eurofound. 27 January.**

Drawing on a survey of UK employers conducted between 1995 and 1999, this article considers the implications of the *Working Time Regulations 1998* legislation on working time. The Regulations introduced for the first time in the UK: a statutory limit on average weekly hours (48 hours), a legal entitlement to paid leave, and new legislation on rest breaks, night work and shift patterns. Implementation was framed to allow employers to individually or collectively vary agreements. The significance of this case to the present research is that the Regulations precipitated changes to employers' working time systems, which led to new patterns of work including increasing use of part-time arrangements. Employers viewed this as contributing to improved performance.

The survey data indicated that prior to the introduction of the Regulations, changes to working time had been important in improving performance. Thus, the Regulations were introduced at a time employers were interested in increasing flexibility in their workforce. The 1999 survey (after the introduction) covered a workforce of over 427,000 workers across print, engineering, retail and the National Health Service (NHS) and found the most important reasons for recent working time changes had been to reduce costs and increase flexibility. Limiting redundancies and aiding in recruitment and retention were also important. The Regulations were a factor in changes in working time in approximately half of all workplaces. This indicates that employers undertook the necessary adjustments to their human relations plans and systems at an early stage. While managers viewed the Regulations as having significant implications for the future, the immediate effect had been for employers to seek means to minimise effects through ‘flexibility’ and ‘opt-out’ agreements with employees. However, the act of consulting with staff on working hours may be one of the most important outcomes of the Regulations. By introducing consultation and negotiation, the Regulations have worked to position working time arrangements as central to modern industrial relations.

A further outcome of this procedural effect are the positive effects of consultation when implementing flexible schedules on employees’ organisational commitment, satisfaction and effort (see Kelliher and Anderson 2010). Further legislation was introduced in 2003 (UK Flexible Workers Regulations 2003) to increase employee-driven flexibility. The impacts of these regulations are considered in the entries below.

45. Devlin, C. and Shirvani, A. 2014. *The Impact of the Working Time Regulations on the UK Labour Market: A Review of Evidence. Analysis Paper No. 5. Department for Business, Innovation and Skills (U.K.)*

This 2014 UK Government report presents a comprehensive review of the impact of *Working Time Regulations 1998* on the UK labour market. Between 1997 and 2013, the incidence of long-hours working declined with the number of employees doing excess of 48 hours decreasing by 15%. The report found that the main impact of the regulations was increased employment of workers doing shorter working weeks, with no reduction in total hours worked. Thus, the decrease in long hours working appears to have been partially offset by increased employment of workers doing shorter working weeks. A general trend was also identified towards a more diverse range of working patterns. These trends coincide with a long-term trend towards decreasing working hours per week and increasing productivity. The ‘opt-out’ provision was found to be broadly supported by UK businesses, long-hours workers and the public. Approximately one third of all workplaces had at least one employee opting out and 15% of workplaces had employees all opting out.

While the mechanism for improving working time flexibility under consideration in the present research is different to that of the UK's Regulations, the UK example offers insights how working-time regulation impacts upon wider labour market outcomes. It demonstrates that a decrease in full-time hours can increase total employment with no negative corresponding effects on total hours worked. It also shows how regulation can facilitate greater labour market flexibility, with employers' working time systems becoming more sophisticated through reporting requirements, supporting the emergence of new and diverse patterns of work. Conversely, there is evidence that the informal 'right to request' framework in Australia does not adequately incentivise hours worked reporting (Cooper and Baird 2015), restricting the development of new flexible work patterns.

- 46. Department of Employment and Learning (Northern Ireland). 2010. *Flexible Working and Time to Train Response to Public Consultation*. Available from http://dera.ioe.ac.uk/11006/14/flexible_working_and_time_to_train_-_policy_response_Redacted.pdf**

This report by the Department for Employment and Learning in Northern Ireland provides a summary of responses and policy conclusions reached from public consultation on whether current rights to request flexible working should be extended to a wider cohort of workers. Twenty-two submissions were received from business representative and trade organisations, different levels of government, charities, statutory bodies and trade unions.

The most popular arguments in favour of extending flexibility included greater employee job satisfaction, reduced stress, work-life balance, enhanced motivation, productivity and performance gains, reduced absenteeism, and retention and recruitment benefits. For instance, Chartered Management Institute noted that offering flexible working allowed employers to better deal with skills shortages through widening the talent pool. Equal numbers of respondents favoured the option to extend flexible working rights to a wider cohort of workers and the option to extend flexible work to parent employees with children 16 years and under. Based on the submissions, the Department concluded that extending the right to all employees in one step may have unintended impacts, instead deciding on a gradualist approach, consistent with that pursued in the UK. To the present research, this shows that work-life balance provisions for parent employees have been implemented as a process of gradual flexibilisation of the labour market. Submissions from business and trade groups on progress hitherto indicated that flexible working arrangements for parent employees had been beneficial to firm performance.

47. **Department of Trade and Industry (U.K.). 2005. *Work and Families: Choice and Flexibility - Government Response to Public Consultation*. Available from <http://webarchive.nationalarchives.gov.uk/20060715135645/dti.gov.uk/files/file16317.pdf>**

This report presents an overview of the submissions received by the UK Department of Trade and Industry (DTI) and the policy response to extend the right to request flexible working to carers of adults from April 2007. The DTI received over 200 submissions across employers, employer groups, unions, civil society groups, academics and lawyers. Businesses indicated in their responses that existing flexible schedule arrangements had enabled them to draw on a wider pool of skills in the workforce, improve recruitment and retention rates and increase staff morale and productivity. Small employers noted that the success of the law had been its targeted approach to certain cohorts of workers, rather than a blanket approach, which had enabled them to best manage and develop flexible working arrangements. The DTI concluded from submissions received that flexible work arrangements for employees with caring commitments had been positive to both employers and employees and decided to extend the right to request to carers of adults.

48. **Department for Business, Innovation and Skills (U.K.). 2014. *The Fourth Work-Life Balance Employer Survey (2013)*. Research Paper No. 184.**

The Department for Business Innovation and Skills (U.K.) present the findings of a survey of UK employers on awareness, provision, uptake, demand, and views of flexible work practices (FWPs). It is the fourth survey in a series of reports on WLB policies (baseline survey in 2000, subsequent surveys in 2003 and 2007) and the employer-counterpart to an employee survey in 2011. The survey also aims to evaluate the impact of the expansion of the ‘right to request’ to parents of children under the age of 17 (2009) and to co-resident carers (2007), and provide a basis for evaluating future legislative changes to FWPs. Data were gathered from randomly selected establishments with five or more employees and weighted. 2,011 interviews were conducted with senior contacts responsible for human resources (HR) functions. Small establishments were defined as firms employing 5–49 workers; medium, 50–149 employees; and large, 250 or more employees. The survey findings are presented below by availability and uptake and implementation and employer attitudes towards FWPs.

FWP availability was consistent with the third (2007) survey findings, with 97% of all employers offering at least one form of flexibility (88% excluding part-time working). There was a marked increase across the four survey periods for reduced hours (for limited period) and flexitime. FWP availability and uptake increased as entity size and proportion of female employees increased

and was higher within public sector entities. Availability was lower in small, private sector or male-dominated establishments. Of the 3% of workplaces without any FWPs available, incompatibility with the nature of the work was raised as the main reason for no provision (65% of entities). This was especially the case for denied part-time work (78%). Cost and workload pressures, often viewed as the main barrier to FWP availability, was raised far less by entities, at 20% for FWPs excluding part-time work and 31% for part-time work. Cultural fit was also as likely to be raised as a barrier as cost pressures. This shows for a small number of entities yet to develop FWPs, qualitative issues are a greater barrier than quantitative pressures. Perhaps one of the strongest indicators of employers' confidence in the future of FWPs to enhance firm performance, the majority (90%) of employers had extended the right to request beyond their legislative obligations to all employees.

The most newly requested FWPs (in last 12 months) were working reduced hours for a limited time period (29%), part-time working (25%), working from home (22%) and flexitime (21%). For requests to move from full-time to part-time hours, excluding workers returning from maternity leave, more than one-quarter of entities allowed employees to change hours. Larger organisations were more likely to allow part-time hours (79%) compared to medium-sized (57%) and small businesses (24%). The potential for disruption was the most often cited reason for rejecting FWP requests (58% of all businesses), followed by inability to recruit cover staff and inability to meet customer demand. A low base size prevented reasons for rejection being ascertained for small businesses.

Employers' attitudes toward FWPs were positive. The proportion of employers believing that flexible work had a positive effect on (i) employee motivation and commitment, (ii) employment relations, (iii) reducing absence, (iv) reducing turnover, (v) recruitment and (vi) productivity, all increased from the 2007 survey. Over half (56%) of employers said the impact of FWPs on their entity was very or fairly positive, compared to 9% who said they had a negative impact. Larger entities were more likely to say the FWPs had a positive effect on business (77%), compared to medium-sized (59%) and small entities (55%). Effects on productivity was the most raised problem among entities with negative views. Of note is the significant decline for 2007–2013 in belief among employers that employees should not be able to change working conditions if it may disrupt business, declining from 73% to 49%.

49. **Hegewisch, A. 2004. ‘Individual Working Time Rights in Germany And The UK: How A Little Law Can Go a Long Way’. Paper presented at *Working Time for Working Families: Europe and the United States Conference*, Washington Collage of Law, Washington DC, 7–8 June. Available from <http://www.worklifelaw.org/pubs/Hegewischhowalittlelawcangoalongway.pdf>**

This article reviews and compares the introduction of measures in Germany and the UK to allow for greater individual employee-led flexibility. Both countries’ policies were informed by concern for retaining skilled female employees as well as concern for demographic trends including declining birth rates. The German and UK initiatives are part of the framework the European Union sets to target increased labour force participation rates. The features of the two laws and their uptake as discussed in the paper have been summarised in Table A2 below. Both countries reported a significant uptake of part-time work, without any recorded problems for employers. Uptake in the UK was greater in employee numbers and scope. While working time flexibility was already a culture of UK workplaces, the law contributed to encouraging employers to positively respond to requests.

Significant to the present research, the German example showed that giving employees a right to reduce their working hours increased total employment. Further, these employment effects took place in a high unemployment context when greater uptake was likely dampened by less confidence of employees to drive income-reduction changes. These case studies also show that in a modern labour market with increased labour supply pressures to incorporate family-friendly policies and demand pressures to flexibilise workforces, laws and regulations empowering employees to develop flexible schedules can facilitate greater dispersion of flexible arrangements in workplaces. This is important to carving out quality part-time jobs and addressing high part-time work penalties relating to income, skill level, job insecurity and career progression.

Table A2. Early Effects of Working Time Legislation in Germany and UK

| Legislation title | Employees effected | Company size limits | Flexibility scope | Flexible work arrangement | Options for employee review | Government evaluations of uptake in first year of implementation | Company adjustments to laws | Gender differences |
|--|---|-------------------------------------|-------------------|---|---|---|--|---|
| Germany | | | | | | | | |
| Part-time and Fixed Term Employment Law 2000 | All employees with a minimum 6 months' service | Companies greater than 15 employees | Narrow | Right to a reduction in working hours, pending no proven 'business or organizational' reasons to refuse | Yes. Court | <ul style="list-style-type: none"> • 84,000 applications • Share of rejections under 5% | <ul style="list-style-type: none"> • 55% of companies adjusted to reduced hours through rationalisation and redistribution of tasks. • One third of cases resulted in employment effects | Women compiled 78% of all applications |
| Separate legislation for additional rights for parents | Mothers and fathers | Companies greater than 15 employees | Narrow | Right to reduced working hours by 15-30 hours per week up to 3 years after birth of child | | | | |
| United Kingdom | | | | | | | | |
| UK Flexible Working Regulations 2003 **later extended in 2007 and 2009 to carers of adults and parents of children 16 and under | Parents of children under 6 years (under 18 for children with a disability) | No | Broad | Right to request changes in hours, which applies to overall length and scheduling of hours and location (i.e. remote working). This includes reduction in hours, flexitime and a compressed working week. | Employers decision not subject to challenge | <ul style="list-style-type: none"> • 900,000 applications • 800,000 fully or partially accepted • Expanded beyond target group to 13% of all employees – of all requests: 38% for part-time, 25% flexitime, 13% temp. reduction in working hours (less than a year), 10% compressed work week, 8% remote working | | 1/10 men and 1/7 women applied. Women more likely to request part-time arrangement and men more likely to request flexible options without cuts to income |

Other Literature Reviews

- 50. Skinner, N. and Chapman, J. 2013. ‘Work-life Balance and Family Friendly Policies’. *Evidence Base*, 4: 1–25.**

This paper reviews Australian and international research (n = 50) on work–life balance (WLB) and family-friendly policies. The review spans four policy areas: employee-centred flexible work practices (FWPs), working hours (such as access to part-time work), paid and unpaid leave and access to childcare. It also reviews literature specific to two industries—the public sector, and health and social services. The review covers broad employee work–life balance outcomes rather than explicit effects on firm performance. Thus, this annotation has drawn out relevant findings on firm performance.

The authors cite a review by Brough and O’Driscoll (2010) of nine studies on WLB organisational interventions which concluded that worker input and control over changes to work arrangements was crucial to the success of FWP interventions. This supports findings hitherto that employee-centred implementation of FWPs and FWPs that focus on qualitative investment in the workforce (i.e. internal flexibility) are linked to positive firm performance. Negative ‘spillover’ effects of work–life conflict from status quo workplace practices were also evidenced. Research shows a small negative correlation between work–life conflict, and job performance and productivity (Ala-Mursula et al. 2006, Amstad et al. 2011, Beauregard and Henry 2009, Gilboa et al. 2008, Hoobler et al. 2010).

Consistent with the present research, the review notes the positive organisational effects of WLB practices on recruitment, retention, attendance, turnover intention and productivity (Beauregard and Henry 2009, Haar and Bardoel 2008). Employees reciprocate with increased loyalty, effort and productivity in exchange for access to practices that support WLB. A German study cited (translated and cited in Hegewisch 2009) estimated a productivity gain of 0.1% per hour per employee due to implementation of work–family benefits. This was attributable to high motivation and commitment, reduced illness and chronic health issues, and more time for training. In the public sector literature, flexible schedules and part-time work were found to have a positive impact on job satisfaction and retention (Haar 2004, Donnelly et al. 2012, Todd and Binns 2013). The health and social sciences literature found that ability to engage in paid work was negatively affected by few opportunities for part-time hours in non-managerial and frontline services (Baines 2011). For the present research, this suggests that access to part-time hours could lift women’s workforce participation rates in these sectors.

- 51. Yasbek, Phillipa. 2004. 'The Business Case for Firm-Level Work-Life Balance Policies: A Review of the Literature', Labour Market Policy Group, Department of Labour (N.Z.).**

This paper reviews New Zealand-based and international literature on business benefits and costs of work-life balance (WLB) policies. Industry type was the greatest predictor of whether WLB policies were offered, with the public sector, finance and insurance most likely to offer WLB policies. In Australia, retail, hospitality and construction were least likely to offer WLB policies. Firm size was also a significant indicator. While low-skilled and low-paid workers were least likely to be offered WLB policies, a strong business case could be made for their introduction due to low retention rates in low skilled sectors, and high costs of recruiting and training new staff relative to wages.

Case studies on small and medium enterprises (SMEs) indicate that they identify costs and benefits consistent with those identified in large organisations. WLB policies were often individually negotiated, which presents survey limitations. However, the presence of more personal working relationships in SMEs suggests they may be more conducive to productivity gains as outlined in exchange theory (existing research shows that employees reciprocate with higher productivity and job commitment in exchange for WLB policies). The paper also notes that SMEs may have advantages in implementing flexible workplace practices because it is easier for them to undertake internal reorganisation due to less role specialisation. Flatter management structures and less bureaucracy can also reduce the costs of implementing WLB policies.

- 52. Lero, D. S., Richardson J. and Korabik K. 2009. *Cost-Benefit Review of Work-Life Balance Practices-2009*. Ottawa: Canadian Association of Administrators of Labour Legislation.**

Lero et al. offer an extensive review of academic, policy and business literature from 1990 on the costs and benefits of implementing work-life balance (WLB) practices, including in an SME context. The report finds widespread evidence that firms use WLB practices to leverage the skills of their employees to improve firm performance. Examples of cost-benefit analyses pursued by organisations are reviewed and measures and resources that could be utilised by employers to calculate return on investment (ROI) offered. The studies cover Canada, the US, UK, Australia, NZ and Continental Europe.

The review determines that the easiest and clearest ROI calculations are when an employer assesses a specific practice with clear objectives, and considers the effects independent of other workplace processes. The best examples are estimates of labour cost savings through reduced absenteeism, turnover and recruitment/replacement costs since dollar values can be assigned to these direct costs. ROI calculations based on a longer-term 'human investment'

approach are more difficult since long-term payoffs from employee engagement and commitment are more subtle, such as the retention of high performers, reduced health symptoms, productivity, and indicators of internal career advancement. However, 'intangibles' significantly contribute to the 'tangibles' such as turnover and absence and should be integrated into ROI analyses where possible. Reduced turnover rates provide the strongest basis for equating ROI, since it results in lower recruitment and replacement costs, but also signifies high organisational commitment, less loss of institutional knowledge, can enhance firm image in the labour market and increase shareholder value.

The report finds that the majority of SMEs practice FWPs, but arrangements are informal and negotiated individually. While SMEs report improved firm performance from implementing WLB policies, information about how SMEs calculate their ROI is not clear. For example, a CFIB study (Pohlmann and Dulipovici 2004) in 2003/04 of 10,699 SME business owners cited better employee relationships (77%), higher job satisfaction (64%), higher retention (61%) less absence (48%) increased productivity (34%) and increasing competitiveness in attracting employees (22%) as a result of implementing FWPs. However, it is not clear how these outcomes were measured or their relationship to implementation costs. The authors argue the more informal, individualised practice of FWPs in SMEs may better place them to manage new WLB policy implementation. The value of this study to the present research is its specific attention to studies of cost-benefit analyses of WLB practices. The findings also help to address the research gap in the business case for WLB practices in SMEs.

53. Ireson, R., Sethi, B. and Williams, A. 2016. 'Availability of Caregiver-Friendly Workplace Policies (CFWPs): An International Scoping Review'. *Health and Social Care in the Community*, John Wiley & Sons Ltd.

Ireson et al. provide the first international scoping review of caregiver-friendly workplace policies (CFWPs). The review aims to identify (i) the sectors most accommodating to employees with caring commitments, (ii) the characteristics of workplaces that have adopted CFWPs, and (iii) the most frequently offered CFWPs. 'CFWPs' is the term chosen to encapsulate all policy related terms, including family-friendly workplace policies (FFWPs), caregiver policies and flexible policies. After identification of relevant studies, 70 articles were based on selected criteria. Data were charted for the studies with employer profiles and dossiers utilised to fill any gaps with a total of 88 unique workplaces identified.

It was found that the financial, healthcare and technology sectors offered CFWPs more than any other sector, contributing to a combined 55.6% of all workplaces offering CFWPs. This sectoral finding was supported by other studies in the review (Golden 2005, Dembe and Partridge 2011, Vuksan et al. 2012). The service sector was least likely to offer CFWPs. Inexpensive and easily implementable CFWPs were most commonly offered, with support services (workshops, seminars, counselling) offered in 69.3% of all workplaces and flexible

work schedules in 48.9% of all workplaces, followed by financial assistance/relief (39.8%) and unpaid leave (30.7%).

The business case for CFWPs was the major motivator for employers implementing CFWPs. Employers internationally recognised the economic benefits of supporting caregiving employees through reduction in absenteeism and sick leave, and increased productivity, organisational loyalty, employee engagement and morale (Blassingame 2002, Bosley 2005, Biotech Week 2008, Barroso 2011, Humer 2011, Peters 2011a,b,c). Many employers used CFWPs to attract skilled employees and retain staff, especially when substantial investment in retention had already been made (Colours and Hockney 2000, Byrne 2011, Gareis 2011). One theme that emerged in the review, was employers lacking knowledge and perceiving themselves ill-equipped to best support caregiver employees (Employer Panel for Caregivers 2015). This suggests that providing best-practice information and resources for employers will be important in supporting implementation of new FFWPs.

54. Smeaton, D., Ray, K. and Knight, G. 2014. *Costs and Benefits to Business of Adopting Work Life Balance Working Practices: A Literature Review*. Policy Institute, Department for Business Innovation and Skills (U.K.).

In light of the research gap in quantifying costs and benefits of work–life balance (WLB) arrangements, this study aims to review all available evidence and present analysis on the different costs and benefits businesses face. The literature review was undertaken for the UK government during consultation in 2011 on plans to introduce a new system of flexible parental leave and extension of the ‘right to request’ to all employees. WLB policy studies potentially available to all staff (including: flexitime, working from home, reduced hours, job sharing and term-time working) were considered separate to family-friendly policies, which were defined narrowly as those relating to maternity/paternity leave and childcare provisions. As such, this annotation will focus on the findings related to flexible work practices (FWPs), followed by an overview of the findings on short-, medium- and long-term costs for FWP provision. The conceptual cost and benefits frameworks used to shape the search parameters and subsequent findings have been extracted from the report and presented below. The intervening variables (or mechanisms) linking WLB practices to bottom-line outcomes are treated as the indirect benefits and the employer benefits as the direct benefits.

Figure A1. Conceptual benefits framework

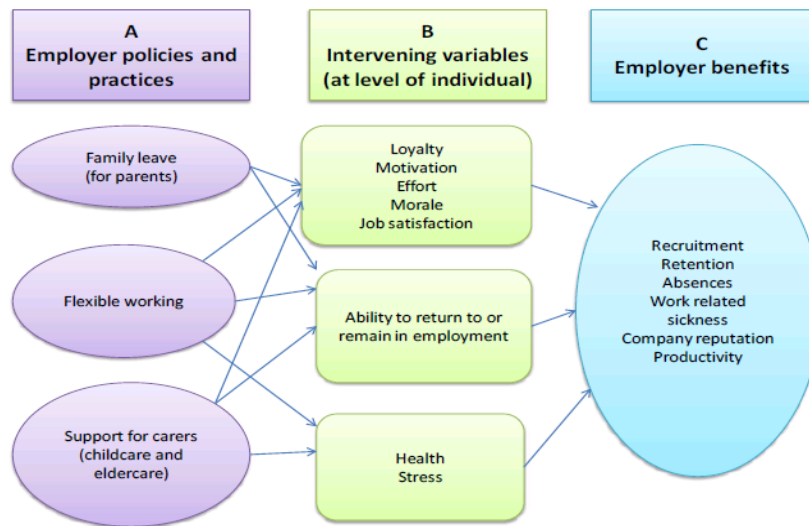
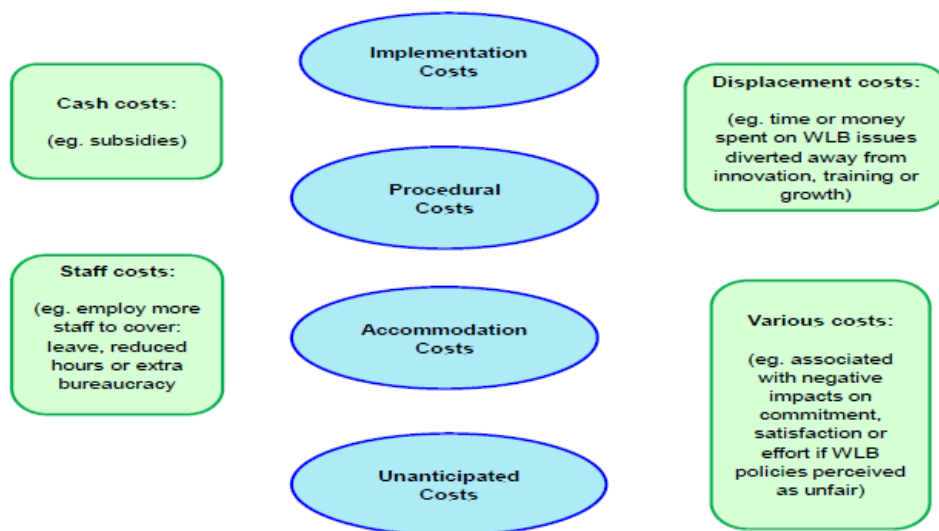


Figure 2. Conceptual costs framework



Business benefits

The majority of primary, survey-based research and almost all case study evidence demonstrated that FWPs improve productivity/performance. However, these findings come with the caveat of samples representing ‘good practice employers’ and within specific contexts. Reflecting what has been found in the present research through econometric studies, FWPs have been linked to productivity where an index of flexibility is used, or when

flexibility has been measured as part of a strategic organisational approach. Overall, the evidence shows that FWPs can effectively reduce absence. The evidence for recruitment benefits is deemed less substantial, with most studies based on surveys. However, employer surveys suggest recruitment advantages and employee surveys show that most employees are attracted to jobs with opportunities for flexible work, and a lack of flexibility accounts for a large degree of underemployment. Primary survey and case study findings show that FWPs increase staff retention, with some evidencing significant savings in turnover costs. Econometric evidence shows differing results, with retention benefits for some FWPs, benefits at the exclusion of specific practices, and some showing neutral impacts.

Regarding the effect of FWPs on mediating relationships (linked to improved performance), it was found that FWPs and family-friendly cultures mitigate work-life conflict, reducing negative 'spillover'. At the individual level, there is a large body of evidence showing that job commitment, satisfaction, engagement and work effort are all associated with firm benefits such as reduced intentions to leave, reduced absence, and improvements in performance and productivity.

Costs

Employer surveys indicate that the majority of businesses viewed the implementation of FWPs as unproblematic, incurring very few costs. Recognising that the range and depth of data available on implementation costs needs further development, on the whole, implementation costs were not viewed as a barrier for employers to FWP implementation. Regulatory impact assessments outline a range of costs and compare these to the estimated benefits, and find that benefits outweigh costs. Some analyses on administrative burdens estimate national level implementation costs associated with new WLB regulations, but these figures were not translatable into individual business level costs. These administrative burdens analyses do present some unit costs and costs per organisation per request for flexible work. These were reported at £88 by Lambourne et al. (2008); and £62 by Smeaton et al. (2014) based on Department for Business Innovation and Skills (U.K.) research. Survey evidence on the costs of flexible request procedures suggests employers do not experience them as a cost burden. Evidence for the costs of accommodating requests is very limited, with costs remaining unquantified and evidence based mostly on description or nationally aggregated costs. Smeaton et al. (2014) also reported that the total cost of accommodating a flexible work arrangement averages £241.24.

The conclusions reached in this review on the types of evidence offered by the WLB-business benefits literature, and how the literature (in its present state) evidences positive effects of FWPs on productivity, absence, recruitment and retention are consistent with the present research. The focus on collating and summarising literature with specific references to actual costs and benefits is highly valuable to the present research. The administration values provide a starting point to consider implementation costs in other contexts.

Revisiting Dex and Scheibl (1999)

55. Dex, S. and Scheibl, F. 1999. 'Business Performance and Family-Friendly Policies'. *Journal of General Management*, 24(4): 22–37.

This paper featured in the last 2005 review of statutory employee provisions for family-friendly workplace practices (FFWPs) in Australia. It reviews British and US literature and seeks to identify if adopting FFWPs have clear business benefits. Its findings are summarised here in relation to the findings made in subsequent research:

The authors hypothesise that benefits to organisations of family-friendly and flexible policies may accrue in the longer term rather than the short term. Longitudinal econometric studies have since demonstrated that firms that have implemented FFWPs and have high shares of internally flexible arrangements experience productivity, profit and employment growth benefits (Arthur 2003, Lee and DeVoe 2012, Kleinknecht et al. 2006). Research has also since demonstrated that implementation of FFWPs in firm sub-units can produce immediate effects such as reduction in turnover and turnover intention (Moen et al. 2011) and reduction in absence (CEA 2010).

At the time of the study, the authors identified studies reporting a decrease in absenteeism and increase in retention rates through implementation of FFWPs and several on the effects of FFWPs on retention rates. A small body of evidence on productivity effects was found. Academic studies and business literature on the effects of flexible work on firm performance has grown immensely since this study was undertaken, evidencing benefits of FFWPs across a range of firm performance indicators.

The authors note that the research they reviewed was predominantly based on US data due to a higher prevalence of FFWPs in US firms. However, FWP policies have expanded internationally and subsequent research of this expansion has followed. The present report highlights a variety of studies on the positive effects of FFWPs across Continental Europe, Canada, Australia, New Zealand and present a case study on the UK where 'right to request' legislation has been introduced since Dex and Scheibl's review.

Additional administration and disruption are raised as the main barriers to FWP implementation. However, this finding came from a small number employer surveys based on manager perceptions of firm performance (e.g. Forth et al. 1997). Subsequent research has highlighted that employer perceptions are an insufficiently robust measure of the actual balance between costs and benefits (Smeaton et al. 2014). Many survey studies highlighted in the present research attempt to address this problem through matching 'hard' firm performance data with management surveys, and using employer–employee matched data. In any case, literature review scoping studies have found that employer surveys generally

indicate that the majority of businesses view implementation of FWP as unproblematic, incurring very few costs (e.g. Smeaton et al. 2014). Research has also since investigated the specific barriers to FWP implementation such as operational reasons (Dex and Scheibl 2002), cultural fit (Department of Trade and Industry U.K. 2005), management strategies focused on direct employee control (Gordon 2014) and divisibility of work tasks (Ibanez 2011). This identification of barriers now allows for more targeted solutions and policy responses.

Further, extensive surveys of employer attitudes on the effect of FWPs on performance published since this study demonstrate that employer perceptions shift. For instance, Dex and Scheibl (1999) cite findings of the Forth et al. (1997) survey on UK employers, which found 50% of employers viewed FFWS as an advantage and 50% a disadvantage to their business. This survey was conducted before significant statutory reforms had taken place in the UK with respect to working time (1998) and flexible work (2003). Research and reporting conducted by the UK government has since evidenced an increase in positive employer attitudes towards the benefits of FWPs (DTI 2005, Department of Employment and Learning Northern Ireland 2010, Department for Business, Innovation and Skills U.K., 2014). For instance, in the Department for Business, Innovation and Skills (U.K.)'s Fourth Work-Life Survey (2014), only 9% of employers believed the introduction of flexible work practices had a negative effect on their business. Sweet et al. (2017) have also shown that managers shift to more positive attitudes towards flexible work with experience of managing employees on FWAs.

Dex and Scheibl note that most of the research in their literature review was based on organisations electing to adopt FFWS, with no evidence of the before and after effects of implementing FFWS on firm performance. However, the growing research base on the effects of the UK's 'right to request' provision on firm performance, employer attitudes and the UK labour market also address this research gap concern.

The authors note a lack of research on transition costs involved in changing to new arrangements. Subsequent literature reviews on the costs and benefits of FWPs have found that the range and depth of data available on implementation costs indeed needs further development (Lero et al. 2009, Smeaton et al. 2014). However, some studies have estimated administrative burdens unit costs per organisation per request at £88 (Lambourne et al. 2008) and £62 (Smeaton et al., 2014). Smeaton et al. (2014) also report estimates that the total cost per incident of accommodating a flexible work arrangement would cost an average of £241. Research has also since been conducted into implementation, such as the transferability of practices within and between SMEs and into existing and potential mediums for sharing of best practice between firms (Kroon et al. 2013, Dex and Scheibl 2002).