



# Policy and strategy guidance: Flexible working arrangements

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#### Disclaimer:

The ideas and suggestions contained within this guide are used or adopted entirely at the discretion and own risk of employers. The Workplace Gender Equality Agency cannot accept any responsibility or liability for outcomes resulting from the use of this document, either directly or indirectly.

#### About this guide

This guide refers to Gender Equality Indicator (GEI) 4: 'Availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities'. The GEIs represent the key areas where workplace gender inequality persists and where progress towards gender equality can be achieved through focused action. This guide is designed to help employers develop a flexible work policy and/or strategy that supports gender equality in the workplace. Note that this guide does not include information on parental leave policy or strategy. See the Workplace Gender Equality Agency's Developing a Leading Practice Parental Leave Policy guide for information on developing and implementing a parental leave policy, and WGEA's Reporting Guide for general information on what are considered policies and strategies.

#### **Key terms**

#### Flexible working arrangements

A <u>flexible working arrangement</u> is an agreement between a workplace and an employee to change the standard working arrangement to better accommodate an employee's commitments outside of work. Flexibility is becoming increasingly important as employees value and prioritise flexibility and employers explore different forms of flexible work suited to their operating context.

According to the Fair Work Ombudsman, it includes changes to:

- → hours of work for example, changes to start and finish times or to the standard work week
- patterns of work for example, split shifts or job sharing
- locations of work for example, working from home.

Examples of flexible working arrangements include:

- Part-time work
- Compressed working week
- Job share
- Flexible start and finish times
- Leave at half- or part-pay
- Remote working
- Term-time working<sup>1</sup>
- Task-based employment<sup>2</sup>

#### Informal flexible working arrangements

Informal negotiations on flexible working arrangements between an employee and their direct manager (as distinct from formal arrangements specified in a policy, formally agreed and documented) can allow the needs of individuals to be met, in the context of business demands.

#### Quality flexible work

Quality flexible work means that employees have secure roles where they are supported to work flexibly and have autonomy over their hours/patterns/locations, as well as opportunities for development.

# Why is flexible work important for workplace gender equality?

Flexible work is <u>key to workplace gender equality</u>, as it supports those balancing caring and other responsibilities with work, which is more often women.

Unpaid care work is a key reason employees cannot participate in traditional work structures, such as full-time work. Women are more likely to shoulder these responsibilities and are more likely to utilise part-time work, parental leave, and other flexible working patterns. When workplaces do not offer flexibility, this can be a barrier to women's workforce participation.

Additionally, management positions are mostly full-time roles with less flexibility, which is in contrast with the preferred working patterns of many women. Fewer opportunities to combine flexible work, especially part-time work, with management and supervisory positions (traditionally dominated by men), can mean inequality in access to quality and higher paid work and to career progression.

In addition to offering flexible work, it is important to encourage and monitor take up of flexible work arrangements. Men's take up of flexible work arrangements is relatively low compared to both women in Australia and men in other countries. Australian men also do not take up the full breadth of flexible working options—for example, they may use some types of flexible work, such as working from home, but are less likely to use others, such as reducing their total hours, which have historically incurred more significant career penalties. This is despite the fact that multiple contemporary Australian studies show that both men and women prefer flexibility. Some of the barriers to men working flexibly include lack of support from managers and coworkers, fears about missing out on promotions and pay rises, the

<sup>&</sup>lt;sup>1</sup> This type of work offers parents and guardians the opportunity to work only during school terms and have time off during school holiday breaks, so that they can spend more time with their children.

<sup>&</sup>lt;sup>2</sup> This is where an employee's pay is linked to what is delivered.

prominence of an 'ideal worker' norm and gender norms that cast men as "breadwinners" and women as "carers".

Employers who promote quality flexible work for all staff and at all levels of the organisation enable more equitable division of paid and unpaid responsibilities between women and men, and more equitable workforce participation and career progression, both of which can lead to reduced gender pay gaps.

### Why is flexible work beneficial to organisations?

Flexible work can help meet employees' needs, including through supporting:

- mental health and wellbeing<sup>4</sup>
- carers and employees with a disability<sup>5</sup>
- management of psychological hazards, such as job demands and low job control
- → the cultural and religious practices of people from a range of backgrounds<sup>6</sup>

For organisations, when options for flexible work are accessible and utilised equally by men and women, it <u>leads to greater productivity</u> and increased retention. Flexible options increase both <u>productivity</u> and the time an employee spends working. Workplaces where there are high levels of <u>bias towards standard</u> <u>working arrangements</u>, experience lower satisfaction and engagement with their jobs, and higher levels of job-to-home and home-to-job spillover. In addition, many organisations have found that enabling widespread access to work from home has enabled them to <u>access scarce talent beyond their standard</u> geographic talent pools.

The increase in employees working from home globally due to the COVID-19 pandemic has shifted employees' expectations of access to flexible work. According to a <u>survey</u> by the Victorian Human Rights and Equal Opportunities Commission in 2020, 85% of employees wanted to access flexible working arrangements in the future. Given this, organisations that offer better flexible work options to their employees may have an edge in attracting talent.

#### Legal obligations around flexible work

Due to changes to the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 (Cth), more employees are now able to request flexible working arrangements and employers must meet certain obligations before they can refuse a request. There are also new dispute resolution processes that empower the Fair Work Commission to make orders when an employer refuses an employee's request. These changes are included in the flexible working arrangements minimum entitlement of the National Employment Standards.

<sup>&</sup>lt;sup>3</sup> The ideal worker is someone who has no outside distractions, including family, to interfere with their dedication to their work.

<sup>&</sup>lt;sup>4</sup> Flexible working is linked to better health outcomes among employees. It can <u>support improved physical and mental health</u>, when guided by a clear, supportive framework.

<sup>&</sup>lt;sup>5</sup> Flexible working can be viewed positively by carers and employees with a disability. The <u>benefits for carers</u> include increased productivity, more time with family, and a lack of or reduced commute. Arrangements such as flexible start and finish times, special leave for caring, home-based work and being able to leave on short notice for emergencies can help employees with caring responsibilities. However, <u>remote or hybrid work can increase the impact of psychosocial risks</u>, if the employee <u>is not feeling supported</u>.

<sup>&</sup>lt;sup>6</sup> For example, leave designed to support observance of holy days or attendance of essential religious, cultural or ceremonial duties associated with the employee's faith or culture.

# Flexible work policy and/or strategy inclusions

The below table lists potential policy inclusions by topics relevant to a flexible work policy and/or strategy.

Topic	Inclusions
Flexible work objectives	<ul> <li>→ Objectives of flexible working arrangements, such as to:         <ul> <li>facilitate the accomplishment of work</li> <li>provide autonomy for employees to balance home, community, and educational responsibilities; medical issues; or assist with transitions in and out of paid work (such as returning after undertaking parental leave or sick leave)</li> <li>benefit and reflect the needs of the employee</li> <li>benefit the organisation, for example by reducing absenteeism, or accessing the best talent regardless of geography</li> </ul> </li> </ul>
Principles	<ul> <li>→ Guiding principles of flexible working arrangements, such as:         <ul> <li>available to all employees</li> <li>designed to meet the needs of the employee, team and organisation</li> <li>can be ad-hoc, short or long term; formal or informal</li> <li>equal access to career development and progression for those who work flexibly</li> </ul> </li> </ul>
Accountability	<ul> <li>Responsibilities of leadership to support flexible working arrangements through:         <ul> <li>establishing and endorsing the business case for flexibility within the organisation</li> <li>providing executive sponsorship for flexible working and championing the issue</li> <li>role-modelling flexible working</li> <li>being held accountable for effective implementation of workplace flexibility</li> </ul> </li> <li>Responsibilities of leadership to enable flexible working arrangements by:         <ul> <li>effectively negotiating and managing flexible working arrangements within their teams</li> <li>ensuring that team and managers have the skills to manage flexible work effectively and equitably</li> </ul> </li> </ul>

<ul> <li>providing tools and technology that support flexible work</li> </ul>
<ul> <li>cultivating a workplace culture that supports flexible work</li> </ul>
<ul> <li>Ensuring equitable treatment, for example in terms of career progression, of those who work flexibly</li> </ul>
<ul> <li>Conditions applicable to accessing flexible working arrangements, such as:</li> </ul>
<ul> <li>that all employees can access flexible work, regardless of gender, age, caring responsibilities, tenure, level or role in the organisation</li> </ul>
<ul> <li>no restrictions or caps on the number of flexible working arrangements an employee may use</li> </ul>
<ul> <li>no restrictions or refusals because of the cost of a WHS assessment, set up costs or travel costs</li> </ul>
<ul> <li>Definitions related to flexible working arrangements such as:</li> </ul>
<ul> <li>flexible working</li> </ul>
o official worksite
<ul> <li>alternative location</li> </ul>
<ul> <li>formal versus informal arrangements</li> </ul>
<ul><li>hybrid working</li></ul>
<ul> <li>remote working</li> </ul>
<ul> <li>compressed hours</li> </ul>
Types of flexible working arrangements available to employees, such as changes to:
<ul> <li>hours (including leave)</li> </ul>
o pattern
<ul> <li>location</li> </ul>

#### Flexible work processes

- → Processes and support for managers<sup>7</sup>, such as:
  - support to design roles that allow for quality flexible working options
  - processes to access materials and equipment relevant to flexible work
  - support to enable informal arrangements with their team, in conjunction with formal arrangements
  - processes for recording, documenting, reporting on and monitoring flexible working arrangements<sup>8</sup>
  - support to recognise that flexible work policies and processes are experienced differently by different genders
- → Processes for collecting and measuring employee and manager feedback<sup>9</sup> on flexible working arrangements, such as:
  - monitoring take up of the range of flexible work arrangements, by gender
  - surveying employees on whether they have sufficient flexibility and feel supported to access it (for example, as part of a regular employee engagement survey)
  - evaluating the use and impact of flexibility through indicators such as levels of absenteeism and employee engagement, and reporting these findings to leadership and the governing body
- Processes for employees considering flexible working arrangements, including:
  - how to apply for flexible working arrangements
  - how to co-design quality flexible work with their manager and team
  - how to modify, withdraw or cease a flexible working arrangement
  - what employees can request to assist with their flexible working arrangement
  - how to request assistance with a flexible working arrangement (for example, the process for requesting workspace equipment for working at home)

<sup>&</sup>lt;sup>7</sup> Managers are critical enablers of workforce flexibility. They are responsible for the flexible work culture within their teams. They should coordinate and support team members to make the most of flexible working as well as make sure that flex is meeting the team's and organisation's needs.

<sup>&</sup>lt;sup>8</sup> Consider monitoring the amount of women and men who use flexible work or parental leave, or using quotas for male employees in mid to large organisations.

<sup>&</sup>lt;sup>9</sup> Feedback can measure the effectiveness and engagement with of flexible work, and gives employees input into shaping how they work.

- Criteria and processes for assessing requests for flexible working arrangements, including:
  - how to accept and reject requests
  - o reasons why an application may be refused
  - why a flexible working arrangement might be terminated (such as that it's having a negative impact upon the individual, team or organisation)
  - Responsibilities of employees who are working flexibly, including:
    - recording flexible work (such as hours worked)
    - communicating with other employees, including for employees working remotely or flexible hours (such as through collaboration software, online meetings or providing written or audiovisual updates on tasks)
    - adhering to legislation when working flexibly, such as Workplace Health and Safety standards, the Fair Work Act, relevant awards or enterprise agreements and related policy documents or forms
    - work health and safety protocols while working flexibly

## Performance management processes

- Commitment that employees working flexibly are treated the same and can access the same opportunities as those working standard arrangements<sup>10</sup>, including that:
  - performance expectations are adjusted to account for flexible work arrangements (for example, KPIs adjusted, pro rata)
  - success in the organisation is based on performance and not associated with working a standard work week
  - employees working flexibly have equal opportunity to access valued work, management, and development and progression opportunities
  - employees working flexibly are evaluated using the same metrics as those using standard arrangements

<sup>&</sup>lt;sup>10</sup> Not all forms of flexible work are equal, in terms of their impact on employees' career outcomes. Forms of flexibility that do not impact total hours worked (such as remote working or compressed work weeks) have less of a negative impact upon reward and progression than with arrangements which reduce hours worked (such as part time work). It is important for organisations to monitor and take action on any emerging patterns of career penalty for those employees who work reduced hours. For example, organisations may monitor performance evaluation outcomes and promotion rates of part time vs full time employees.

#### Better practice in flexible work

Better practice employers <u>go beyond their minimum legal obligations</u> and enable all employees to request flexible working arrangements, regardless of how long they have been employed and their personal circumstances. Employers can do the following as part of a better practice approach:

- → <u>for managers, teams and employees</u> to help them understand and implement quality flexible working arrangements, so that they work for the individual, the team and the organisation
- promote the flexible working policy effectively
- ensure senior leadership are engaged with and role-model flexible work
- create a supportive culture where employees feel supported and comfortable discussing their flexible work needs
- demonstrate trust-based management, where employees are trusted to complete their work, regardless of whether they work flexibly or not
- → communicate:
  - o speak positively about flexible work
  - o set clear expectations for employees in relation to flexible work arrangements
  - o discuss flexible work requests with employees
  - agree on how employees communicate with those working flexible hours or locations
- support employees and their colleagues as they adjust to flexible work arrangements
- review employees' flexibility requirements with them regularly
- ensure flexible work is available for all employees (it is not a policy just for women)
- include flexible work options available by default in job advertisements
- invest in technology to enable and support flexibility
- track take-up of flexible work and identify any emerging patterns, such as gender imbalance, to prevent unintended negative consequences and inform the ongoing adaptation of policies and practices.

#### Flexible work in job advertisements

How flexibility is advertised and communicated in job advertisements <u>can affect the</u> <u>shortlisting of roles</u> by both women and men. One study found that both women and men candidates prefer clarity around the specific flexible working arrangements offered (e.g., "full-time, flexible working options: working from home; compressed hours; flexitime"), over vague descriptions of flexibility (e.g., "happy to talk flexible working").

To learn more about how organisations can make an active commitment to workplace gender equality and become a WGEA Employer of Choice for Gender Equality, visit the Employer of Choice citation program <u>application page</u>.