

FLEXIBLE WORKING - HOW TO MAKE IT WORK FOR BUSINESS AND EMPLOYEES

INCORPORATING RESULTS FROM HFX'S LATEST EMPLOYMENT
SURVEY 2018





FLEXIBLE WORKING IN 2018

A new workplace has dawned

The traditional model of the workplace is changing. Today, organisations are developing strategies that focus on their people and property to develop ways to manage costs, productivity and sustainability that will benefit their business, employees and customers.

In doing so, new work cultures are developing that remove the artificial measures of success, such as time and attendance, focusing instead on results and performance. Technology has become the facilitator to create this new workforce and empower people to work within new boundaries of trust and responsibility.

This new paradigm has resulted in organisations achieving more with less, being able to adapt swiftly to change when required and have happier, more productive employees.



Why flexible working is good for business

According to a YouGov poll survey, flexible working can save British businesses £34 billion a year¹. Examples of these savings have been reported by The CIPD, in its Flexible Working Survey, which found similar results experienced by BT's Workstyle Project, where the absentee rate among BT's flexible workers fell by 63%. Using estimates of recruitment and induction costs, BT estimate organisational saving of £5.1 million (£7.4 million) per annum as a result of flexible working.

A study into flexible working culture² also identified the potential role that flexible working practices can have in reducing the commute time. "The yearly savings in expenditure by workers on tickets or fuel costs incurred in commuting is estimated to be £3.8 billion, with 533 million commuting hours saved. The total saving including the commuter value of time is estimated to total £7.1 billion."

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That flexible working delivers increased productivity has been proven through other research findings. In its report, '2018 Top Employers for Working Families Benchmark' the charity Working Families explored the experiences of 630,000 employees across public, private and third sector organisations.³

It found that the percentage of top performance ratings for part-time and reduced-hours workers is higher than across all staff, at 34% vs 14%. A key point in the report was also that it is vital that management is given the tools to manage flexible working effectively.

HFX is a long-time advocate of flexible working and the benefits it brings to business. For 45 years, our evolving family of Flextime[®] solutions has been used by private and public sector organisations to manage working hours transparently and equitably, on site or remotely, improving productivity and employee wellbeing.

We have again conducted our own flexible working study, asking additional new questions in line with current employment and technology trends, to see exactly what firms are offering.

¹ <https://www.hrzone.com/performance/people/making-flexible-working-win-win-for-both-employee-and-employer>
² The productive value of the untapped workforce: A study into the potential economic impacts of a flexible working culture. Report for Citrix, November 2014, CEBR
³ CIPD: (in association with The Agile Future Forum) - 'HR getting smart about agile working' Research report from November 2014

FLEXIBLE WORKING SURVEY - 2018 FINDINGS



In 2018, we conducted our survey again to test employer views on flexible working. The respondents were from a mix of industry sectors: 15% Local Government, 24% other public sector, 12% manufacturing, 12% healthcare and the remaining a mix of logistics, consulting and banking/financial services.

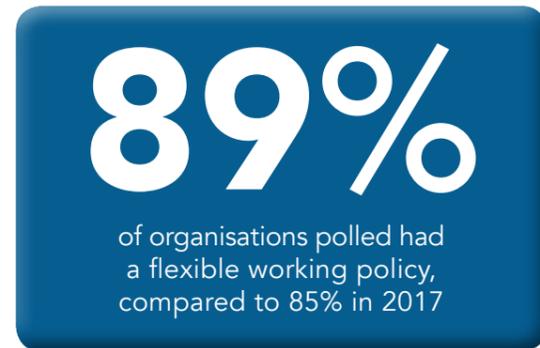
The size of the organisations varied with the breakdown of respondents, reflecting the need for flexible working. The majority was 28% with 100 - 249 employees, 18% with 250 - 499, 21% with 1,000 - 10,000. The remaining employee breakdowns, less than 50 employees, 50 - 99, 500 - 999 and over 10,000 made up the balance.

Flexible Working Reasons



* Interestingly family commitments continue to rank the highest reason, with a score of 89%. A long distance to travel/commute was also cited as a key reason, followed by study and sport or hobby.

Flexible Working Policy



Do employers intend to review their flexible working policy in the future?

According to our conducted survey 42% of organisations responding to this question said that they intend to review this in the next six months, while 14% said that they would be reviewing this, but in the longer term. 42% answered that they didn't intend to review having a flexible working policy - 33% said that their industry was too regulated and so not suitable, while 67% responded that it didn't match their business needs.

Flexible Working Integration

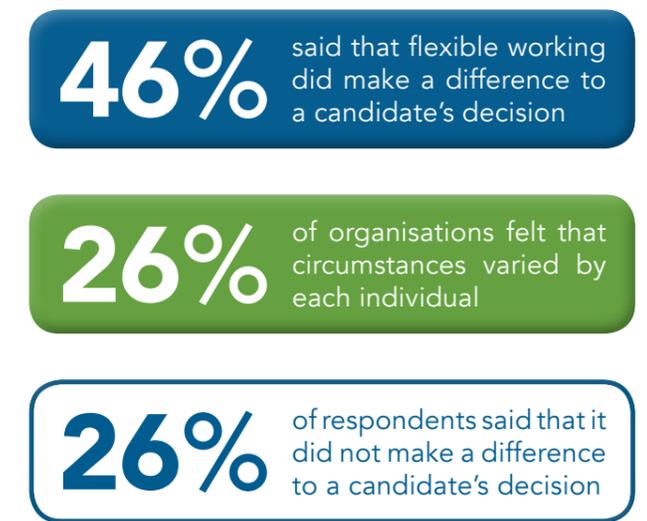
What other business systems can be integrated with the time recording solution?



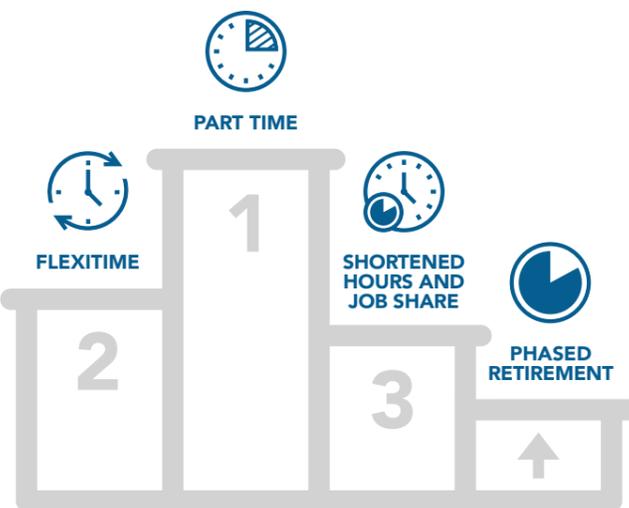
When integrated with other HR solutions time recording systems can improve the accuracy of payroll, reduce absence and lateness with transparent recording of hours and give real time data to support a manager's decision making.

Flexible Working Influence

Does the option of flexible working influence a candidate's decision to accept a position?



Flexible Working Types



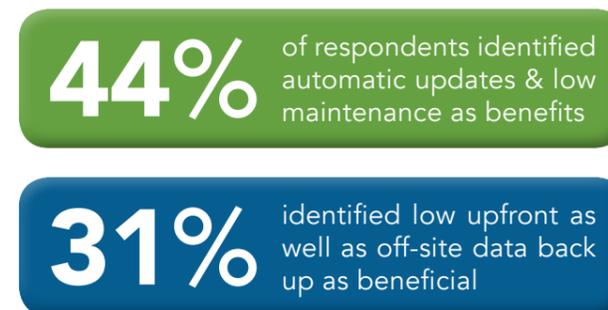
* Job share is an addition since our last survey

Flexible Working Options



In 58% of responding companies, the flexible working options were open to all the members of staff. Other companies were offering flexible working on a case by case basis or only for qualifying staff.

Flexible Working Benefits



Some additional benefits of cloud based time recording solutions:



Overall, it seems that factors such as increased data security, maintenance costs, low infrastructure and off-site back ups are considered as benefits for companies to choose cloud based time recording solutions to be added to their workforce management.

Flexible Working Phased Recruitment

65%

of organisations polled said that they did not offer phased retirement (down from 75% in 2017)

What is the reason that employers do not offer a phased retirement option?

When asked why the respondents did not offer phased retirement, 56% of the organisations responded that there was no requirement. Small numbers of respondents (12% and 8%) said that it was not a requirement of the business or that it was too difficult to administer, while 12% said that they were considering it for the future, an indicator of the changing demographics of the modern workforce.

Flexible Working Future



45%

of all respondents maintain that business demands will always take precedence and limit how flexible working can be.

22%

think that the difference between work and leisure will be more blurred

14%

think that people will be based at home, using the latest VR and video technology

Flexible Working By Age

The most requests for flexible working come from the age range of

25 - 34
AND
35 - 44



the least request are from people aged

18 - 24

followed by those people aged

65+

It is unsurprising that those starting their career - who often haven't started families - want to maximise their time working. Once they have families they need to balance their time and later when their children have grown up they have fewer commitments.

65+ making fewer requests may be explained by the final sprint. In a long working life, it is important to pace yourself, but with the end of your working life in sight there is less need to pace and with pensions less generous, perhaps a greater desire to sprint.

Flexible Working Requests

73%

of all organisations have seen an increase in Flexible Working Requests



88%

in the private sector



86%

in the public sector

All organisations have seen a significant growth in flexible working requests this year, with the increase being more pronounced in the private sector which now overtakes the public sector.



85%

smaller companies



90%

larger companies

The results show that smaller companies receive fewer requests, which might reflect the employee's perception that smaller companies are less able to manage with flexible working.

Flexible Working Capturing



19%

of staff clock in and out physically



19%

of staff use an Access Control solution



19%

of companies use online timesheets



12%

of companies use PCs to clock in



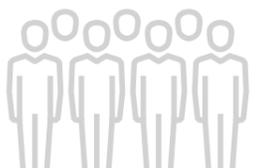
2.5%

of companies use mobile apps to clock in



Do employers consider a cloud-based Access Control or Time Recording solution in the future?

In answer to this question, 24% of organisations responded that they were looking at cloud-based solutions for the future, while 10% were already using a cloud software as a service solution. 37% were already using an on-premises solution and were not planning to change. 28% were not considering such a solution at this time.





KEY BENEFITS OF FLEXIBLE WORKING

- Flexible working allows employers to attract and keep the best talent. They can retain their top employees - people that are used to a flexible schedule and often find it hard to go back to a fixed working schedule. In addition, employees feel empowered when there is absence of micromanagement and presence of trust and respect. This fosters company loyalty, which in turn boosts the level of focus and productivity.
- Employees can handle business requirements outside normal working hours.



The evidence we have to support increased productivity is anecdotal. We know that when people work on a pattern that supports their life and their needs, they tend to be more focused during working hours. Thanks to the HFX solution, our staff have the flexibility that our policies allow, they can use free days to get things done, which means they tend to make sure they are as productive as they can be, in order to have the time off.

Christine Miller, HR Partner at the National Library of Scotland



- Employees can undertake personal duties like taking care of the children, attending medical appointments or attending non-work meetings while still fulfilling their job roles.
- Productivity is fostered around the workplace - proper rest breaks are ensured so that stress and fatigue are avoided. Motivated employees are also more productive as well as goal-oriented.
- Reducing travel time, by avoiding peak hours, increases productivity, allowing more time to work on targets and deadlines, while enabling staff to balance personal chores and responsibilities.
- Employers can reduce some office overheads (for example, desks and utilities) with staff working remotely.



Eversheds, the legal firm, allowed their employees the freedom to choose their own working model, and saw 28pc of staff reporting increased productivity and 14pc of staff seeing an increase in chargeable hours.*

The Agile Future Forum,

*<https://www.agilefutureforum.co.uk/wp-content/uploads/2014/11/Eversheds-Case-Study.pdf>



SAVINGS FROM YOUR BIGGEST ASSET - YOUR WORKFORCE

Today, companies are looking for ways to increase corporate savings, both in the short as well as the long term. A company's workforce is often the largest controllable expense and the key target for review.

The initial attempts to control labour costs almost always focus on the direct costs of salary and benefits. However, there are other costs that often remain hidden like absenteeism, finishing early, lateness, long breaks and questionable sickness absences.

These additional expenses can add to a company's true workforce costs and they are not easy to identify - or more importantly, quantify and/or qualify. The administrative costs of tracking them can also contribute to the labour costs, yet this is usually overlooked when attempting to rationalise costs.

Aiming to reduce costs can seem at odds with providing a more flexible working environment for staff. However, you can't manage what you can't measure, and staff themselves like to know what hours they have worked - to build up hours for time off or to catch up where their hours are behind. They also like to know that everyone is being treated equally.

The power of the Cloud

Cloud based technology, in particular, brings new benefits to organisations. They provide a 'light touch' impact on internal infrastructure and enable access anywhere. They reflect the nature of work changing with home/remote working and the need to engage with staff outside of the physical office building, through self-service.



WHAT'S IN IT FOR YOUR BUSINESS

As shown in our research, employers are embracing flexible working arrangements as they gain popularity in the workplace. What is clear is that many businesses are happy to offer flexible working, within the boundaries of the business needs.

With growing work-life balance demands, employees now prefer working outside the normal schedules required by most companies. Employees may have personal responsibilities like family care or attending community meetings outside of work. Or employees may have personal preferences, looking to reduce commuting times.

This is the challenge for companies - how to manage these staff expectations and requirements with the needs of the business.

Technology has enabled flexible working in the workplace and for staff to work remotely. There are now solutions available that can facilitate flexible working and prepare rosters and schedules that still meet the needs of the business.

AVAILABLE TOOLS TO HELP YOU

For an organisation the most efficient way to tackle these issues is to deploy systems that can handle scheduling, attendance and absence tracking as well as other workforce management activities. Using such systems can automate time monitoring and help to ensure that schedules address working time compliance issues, as well as meet staff requirements.

They allow organisations to proactively implement a flexible working policy that meets both the service needs of the business, company work policies and support employee work-life balance.

Such a system can enable an organisation to manage many employee functions, including:

- Time Recording (including Flexitime and complex shift patterns)
- Absence Planning and Productivity Reporting
- Overtime and shift requests

The benefits of deploying a T&A solution can result in more accurate workforce scheduling in a dynamic service environment. It can also help to safeguard against staff unrest and union grievances by ensuring work patterns comply with workforce legislation. Staff feel that they are in more control of their working life, which also results in a more engaged and positive workforce.

“ HFX’s Flexitime Management system was easy and clear to use and matched our requirements. Since using the system the recording of employee attendance is more streamlined and we can monitor holiday entitlements accurately. It puts our staff in control of their hours and frees our staff from manual management and tracking. In addition the reports will be invaluable in enabling us to identify and proactively manage the service requirement. ”

Ruth Jones, Office Manager at Shrewsbury Town Council

“ The HFX system has been welcomed by staff as it provides a total transparent way to record working time, including business absence. It enables us to correlate and calculate working hours, meal allowances and travel claims easily and promptly, so we can see at a glance who is in the office. ”

Joe Gallacher, Senior Admin Officer at Renfrewshire Valuation Joint Board

“ We are able to manage an unlimited number of working patterns, which is essential for us. We’ve a diverse workforce delivering a multitude of services to a large rural community and therefore flexibility is fundamental. With this solution we can provide flexibility to our employees and to date approximately 75% of our workforce is using the HFX solution. ”

Lisa Lewis, Development Manager at Mid Devon District Council

Reducing absence

With tighter management of its annual absenteeism rate an organisation can make significant cost savings.

Example:

Applying the theory of marginal gains, a payroll cost saving of 1% could equate to £280,600 per year.



This is based on the April 2017 ONS survey*, where in the example given, median gross weekly earnings for full-time employees in the UK which were £550.

For a company employing 1000 people this equates to a payroll bill of up to £550,000 per week or £28,600,000 annually.

* <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults>

“ The recording of working hours is important as the workforce expands to ensure that overtime, sickness and holidays are captured as well as compensated accurately and transparently. Our previous manual system was dependent on one person to record staff hours, resulting in frequent mismatches of claimed and actual hours worked. ”

Robert Thorogood, Financial Director at Thorogoods



Reducing overpayments

Accurate recording of hours overpaid for work not done could result in a substantial amount. Employees can be overpaid by as much as 30 minutes a day due to long lunches, unauthorised overtime, lateness, finishing early etc. With a system in place to record the actual working hours, an organisation can significantly reduce these overpayments.

Example:

A conservative 15 minutes savings per employee, per day, based on an average 230 working days per year - excluding rest days, holidays and public holidays - could represent a significant amount of money saved, if recorded accurately.



$$£550 \div 35 = £15.71$$

WEEKLY RATE OF PAY	HOURS PER WEEK	PER HOUR
£550	35	£15.71

$$£3.93 \times 230 \times 1000 = £903,900$$

PER 15 MINUTES	DAYS	STAFF
£3.93	230	1000



Reducing Industrial Tribunals

Managing hours accurately benefits both employer and employee. Staff know where they stand, and know that they will be fairly compensated. The business also benefits - using a transparent system where it is clear to all who worked when, meaning disputes over hours can be quickly resolved. This type of clarity is often very instrumental in avoiding industrial tribunals.

Ensuring that schedules are designed to meet staff and customer needs can be more effective by empowering managers and supervisors with the right tools.

Supervisors who are able to perform their own staff scheduling as well as reporting can put control and decision-making power where and when it's needed. A combination of improved scheduling, with the removal of unintentional overtime, could potentially deliver savings of 10% or more.

Some companies have managed to remove overtime completely by scheduling staff hours around the requirements of the business and through the use of flexible work arrangements.

Efficiencies within payroll processes

In addition, the more uniform structure created by simply coordinating all of your pay rules and policies and incorporating them into a workforce management system, can save between 2.5% and 5% of company's payroll cost.

Taking the lower conservative estimate of 2.5% is a significant saving for any organisation, and when coupled with the likely reductions in absence and general tightening up on time keeping, this could translate to immediate and substantial savings.

Historically, it would take on average between three and four days for the payroll process to be completed. The system has reduced this process to less than a day!

Frankie Beckett, Management Accountant and Finance Analyst at i2r Packaging Solutions

Productivity has definitely improved. Everyone knows that the system is accurate and so there is no dispute - and we have seen a definite improvement in timekeeping. Habitual lateness can now be addressed with no ill feeling. Plus we ensure that staff take their cards home with them, so they can't get their friends to check them in.

Robert Thorogood, Financial Director at Thorogoods

Supporting remote workers

New cloud technologies are transforming the way organisations manage people. They enable them to support remote workers, lone workers, or staff that need to be working out in the field with customers, patients, or across a widespread geographical area.

Enabling staff to log in remotely, via a phone, tablet or laptop means they spend less time travelling to site and more time being able to work. Managers are able to track employees' working time and attendance, both to ensure staff wellbeing and in the case of lone workers - for safety.

The added benefits of cloud technology are the ability to scale up or down according to demand, with minimum cost implications or changes required to the existing IT infrastructure.

“ Being able to log in remotely means that our staff can move around and are more agile - our community workers and case workers can get more done in a day. It has made them much more productive and flexible, which in turn means that we can provide a better service to citizens.”

Chris Staddon, Corporate Assets Transformation Manager at Anglesey County Council



Example:

The Flintshire County Council invests in cloud based hours management system to support 350 remote and front line staff in waste management and recycling teams.



“ The Council decided that a cloud based solution would provide the flexibility that it required to record hours for our staff working across different locations. HFX's solution has a clear and modern interface that is very straightforward to use, with no training required. The Council was also able to further adapt the system to have an alternative PIN security feature, should Identity cards be lost or forgotten. This has facilitated a built-in reliability in the time recording system to accommodate workers who may lose their cards while out.”

Flintshire County Council, Case Study



IMPLEMENTING THE RIGHT TOOLS - BENEFITS REVIEW

Implementing a system to manage and record working hours enables the provision of flexible working policies and can pay dividends in reducing hidden costs. These are the benefits of flexible working as reviewed:

- The system delivers a complete picture of employee efficiencies and trends for the entire organisation over extended periods of time

- Sets KPI and targets to be achieved by departments

- Delivers more accurate reporting of employee and payroll hours and forecast costs

- The integrated solutions result in less overheads increasing profitability

- Increases employee attendance and reduces overtime

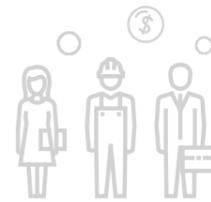
- Enables calculation of employee costs more accurately, for accurate payroll and forecasts

- Promotes more efficient work scheduling, resulting in higher productivity with the same or reduced payroll

- Provides management with tools to help eliminate needless overtime

- Cloud based solutions reduce infrastructure and IT costs, provide data security and ensure regular software updates

- Cloud based solutions enable staff to clock in/log in remotely, increasing staff efficiency and improving wellbeing



SUMMARY - FLEXIBLE WORKING

Time is a precious commodity

In the past, work schedules were designed to meet business requirements and shift patterns were often compensated at higher rates of pay to attract staff to fill those difficult, less popular shifts.

However, this meant that overtime and working unsocial hours became a costly way of keeping a business going. Employers may, therefore, have been paying an unnecessary premium to fill those shifts.

What we have learnt over the years is that salary is no longer the key motivator for many people. Time is more highly valued. Asked about the best time to work, some staff might request an early start with an earlier finish.

Every person values their time in a different way and the company that can adopt a flexible approach that accommodates these different requirements is the most successful.

A win-win for business and staff

If a business can match its own 'valuable' times when it requires staff to be working with patterns that suit employees, it is a win-win. With flexible working (however that may look) - individuals also achieve a work-life balance and are more committed and motivated as a result.

The good news is that businesses are adapting to meet these new challenges and there are technologies available to help them become more agile. We have HR systems that have been developed to enable companies to manage flexible working, not just capturing working hours, but to create shift patterns that marry up staff expertise and choice with the needs of the business.

Looking to the future of work, businesses that adopt this approach will help individuals to embrace a working life that may extend longer, but one where the balance will be different.

The business case is there, the technology is ready - are you ready to meet the new challenges of flexible working in the future?



About HFX

HFX cloud suite includes Imperago™, Time & Attendance, Access Control, Workforce Design, Annualised Hours, EveryOneCloud Attendance Monitoring as well as Location Management.

HFX Imperago™ solutions provide seamless integration with major HR and payroll systems. Highly customisable, Imperago™ solutions can be configured to meet exact requirements and can support unlimited numbers of work patterns.

HFX is the leading provider of Flextime™ in the UK. Used by over 1400 customers across the UK, local authorities, other public sector bodies and commercial organisations benefiting from HFX solutions include: Home Office, Dartmoor National Park, Adidas, North Lanarkshire Council, Isle of Man Government, Met Police, Office for National Statistics and many more.

For more information please visit: www.hfx.co.uk or call 01438 822170

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Customer Reviews ★★★★★

We always receive a prompt response. Excellent!

As usual, a quick response provided & a solution to the problem implemented in a timely manner.

"I'd like to thank you for your prompt attention and resolution to this issue. It has saved a lot of staff time carrying out a manual booking input exercise."



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