

CIPD

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work and working lives*

FLEXIBLE WORKING IN THE UK

Report

June 2019

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 150,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Report

Flexible working in the UK

Contents

Introduction	2
Progress in the UK and how we compare with Europe	3
Flexible work in the UK today	7
Policy implications	15
Notes	19

1 Introduction

Few labour market policies have more widespread support than flexible working. Successive governments have introduced legislation to make it more widely available and it has been strongly supported by employer organisations, trade unions, and campaigning bodies. Flexible working is seen as helping families and individuals reconcile caring responsibilities and work, as an important means of increasing the quality of work, and delivering economic benefits such as better retention and recruitment and better productivity.¹

There is no one definition of flexible working, and surveys and official statistics often use different lists of flexible work practices.² Most are widely supported, but some, such as zero-hours contracts, are more controversial, and some popular options, such as part-time working, can disadvantage workers in other ways.³ Some of the claimed economic benefits such as improving productivity are supported by plausible arguments but have yet to be convincingly demonstrated.

The importance most employees attach to flexible working is likely to vary over their working lives, for example being very important for those with younger children and also for some older employees looking after elderly parents or looking to avoid the cliff-edge of sudden retirement, but less important at other times. As a recent CIPD *Megatrends* report notes:

Flexible working isn't equally important for everyone. At any time, evidence suggests the majority of employees are prepared to go along with existing norms for how work is organised – or, generally improvements to this aspect of their working lives is not a high priority. But for some employees, at various points in their working lives, flexible working becomes of much greater importance and value, perhaps essential to them participating in paid employment at all.⁴

Even with these caveats, the general consensus is that it would be beneficial to see more flexible working in UK workplaces and, as we report later, there is no ambiguity that some forms of flexible working are beneficial for the quality of life for most people who currently use them. The Government has committed to expanding opportunities for flexible working as part of its Good Work Plan and has set up a Flexible Working Task Force to promote flexible working and set out recommendations for future action. The CIPD has also recently launched practical cross-sector guidance and toolkits on flexible working, focusing on how to improve and promote its uptake, successfully implement it, and measure and evaluate its impact.

This report provides a special focus on flexible work to complement the full 2019 CIPD *UK Working Lives* survey.⁵ It also draws on the comprehensive review of statistical evidence set out in the recent CIPD *Megatrends* report quoted above. It is a first cut of the evidence and there are some associations, relationships and insights which may repay closer examination in subsequent work on what is often a complex and nuanced issue. We have not addressed directly other very important issues, such as gender and flexibility, partly because it is covered in the *Working Lives* survey and the CIPD *Megatrends* series and partly because it would require a further stand-alone report to do proper justice to such a significant policy area.

This report is divided into three sections. The first briefly reviews the evidence on progress in the UK and how we compare with a selection of EU economies. The second summarises and comments on the main findings on flexible work, drawing on the CIPD *UK Working Lives* survey. The third section sets out policy recommendations.

2 Progress in the UK and how we compare with Europe

Progress over the past 15 years has been glacial

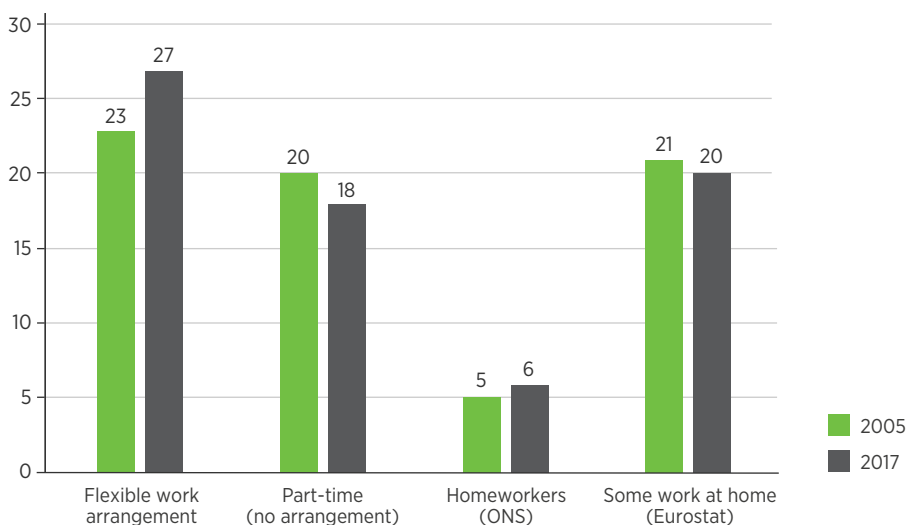
Progress over the past 10 to 15 years has been glacial. The CIPD *Megatrends* report on flexible working found that, between 2005 and 2017, the share of people with a flexible working arrangement as defined by the Labour Force Survey increased from 23% to 27%.⁶

However, much of this modest rise is driven by the increase in zero-hours contracts, which in large part reflects better reporting rather than increased use.⁷ The underlying trend for all other forms of flexible working covered in the survey question is flat. Moreover, over the same period, the share of people who worked part-time but without a flexible arrangement declined slightly, from 20% to 18%.

These figures do not include those who the ONS classify as homeworkers,⁸ where the share of employees who either worked at home or used home as a base has risen from just under 5% to just under 6% over the same period. A wider measure from Eurostat shows the share of people who did some work at home was almost unchanged, at 21% in 2003 and 20% in 2017.⁹

These changes are shown in Figure 1.

Figure 1: Glacial progress towards more flexible working (%)



Note: Eurostat is 2003 to 2017. ONS flexible work arrangements include flexitime, annualised hours, term-time working, job-share, 4.5-day week/9-day fortnight, zero-hours contract, on-call working. ONS homeworking defined as those who worked at least 50% of usual weekly hours at home. Eurostat sum of those who sometimes or usually worked at home. All figures employees.

Source: Beatson (2019)¹⁰ and Eurostat Labour Force Survey¹¹

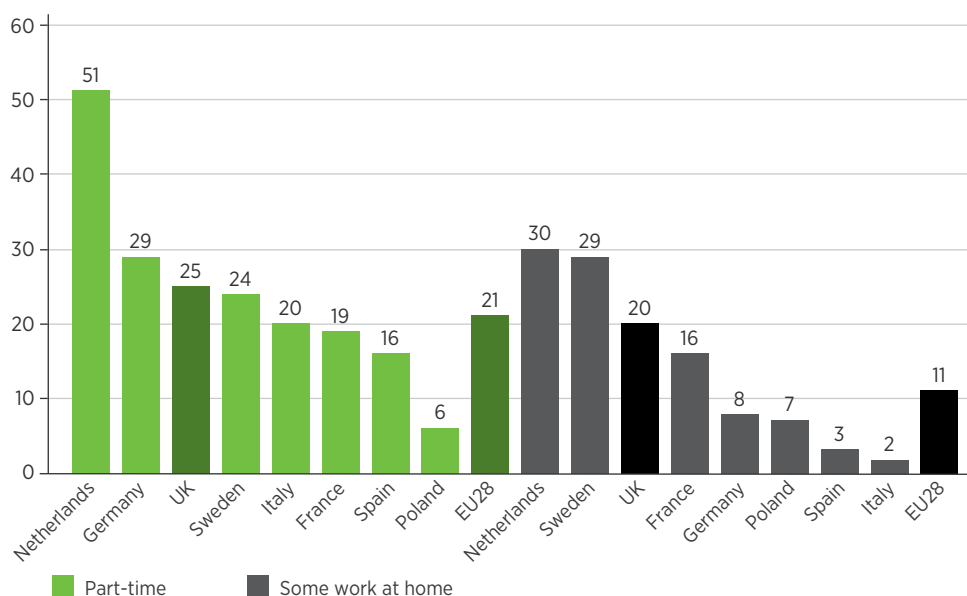
One possible reason for the lack of progress are structural changes in the economy, particularly the decline in the public sector workforce from 2010 onwards of about 6%. As we show later, the flexible work practices covered in this report are more commonly available across the public sector than the private sector. This may, however, not have been big enough to significantly impact on the figures, and there was little sign of a positive impact from the growth of the public sector before 2010. Another reason would be if employment had shifted towards less skilled and lower-paying work, but the share of higher-skilled jobs has gone up and the share of low-paid jobs has gone down.

However, there has been a significant increase in self-employment since 2005 and, as the recent CIPD report¹² shows, one of the biggest single reasons is the attraction of flexibility. So, it may be that some people who would otherwise have been looking for their employer to provide flexibility have instead turned to self-employment. Cause and effect are ambiguous, as we do not know if people went for self-employment because their previous employer would not provide flexibility or because self-employment offered flexibilities that few if any employee jobs can.

How we compare with the rest of Europe – good to middling, but behind the best

International statistical information on flexible working which corresponds with some of those set out in the Labour Force Survey are limited. However, in 2017 the UK had relatively high shares of people working part-time or doing some work at home, according to Eurostat. For example, 25% of employees worked part-time compared with 21% across the EU28, and 20% did some work at home compared with 11% across the EU. The world leader in flexible working was, however, the Netherlands, where over 50% of employees work part-time and 30% of employees do some work at home. Figure 2 shows the share of part-time work and homeworking for a selected group of countries.

Figure 2: Flexible working across the EU in 2017 (%)



Note: all figures employees 15 or older
Source: Eurostat

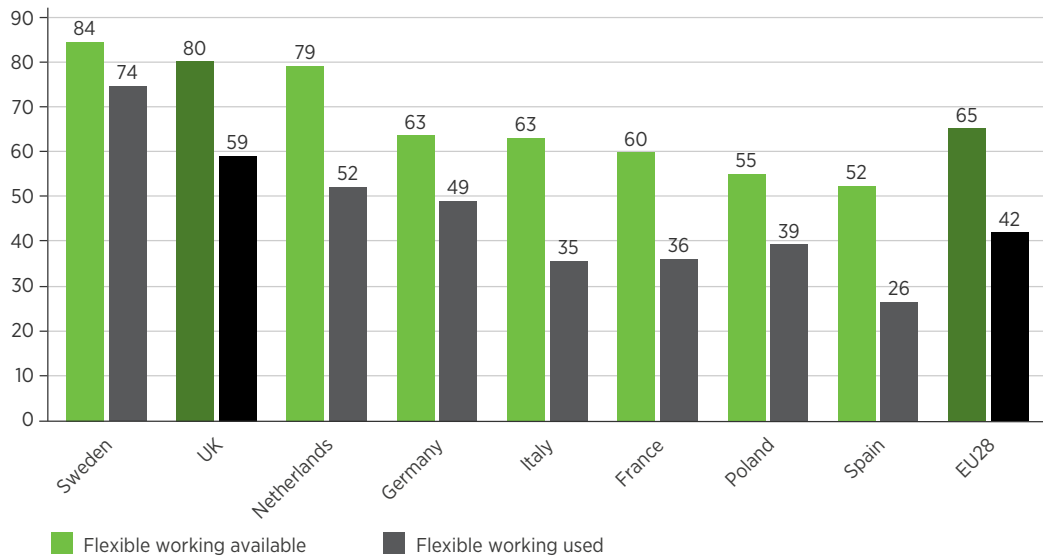
Since 2005 part-time work has increased across the EU (from just under 18% to just under 21%) in contrast to the UK. However, a significant part of that increase is a lack of full-time jobs, especially in some southern European economies, where most people currently in part-time jobs would like to work full-time.¹³ There has also been a modest increase in doing some work at home across the EU, from 9% to 11%, again in contrast to the UK. Overall, however, there has not been a significant underlying shift towards more flexible working across the EU28 over the past 15 years on these measures.

Flexible working arrangements in the workplace

Some flexible working arrangements are more commonly available in the UK than in most other European countries. An EU survey¹⁴ found that in 2018 some 80% of respondents in the UK said they had used or had access to flexible work arrangements such as flexitime,

part-time working, and working at home with their current or last employer, compared with an EU average of 67%. In most countries there was a significant gap between availability and use, and the UK is not exceptional. About 59% said they had used a flexible work arrangement in the UK compared with an EU average of 42%. These are shown in Figure 3.

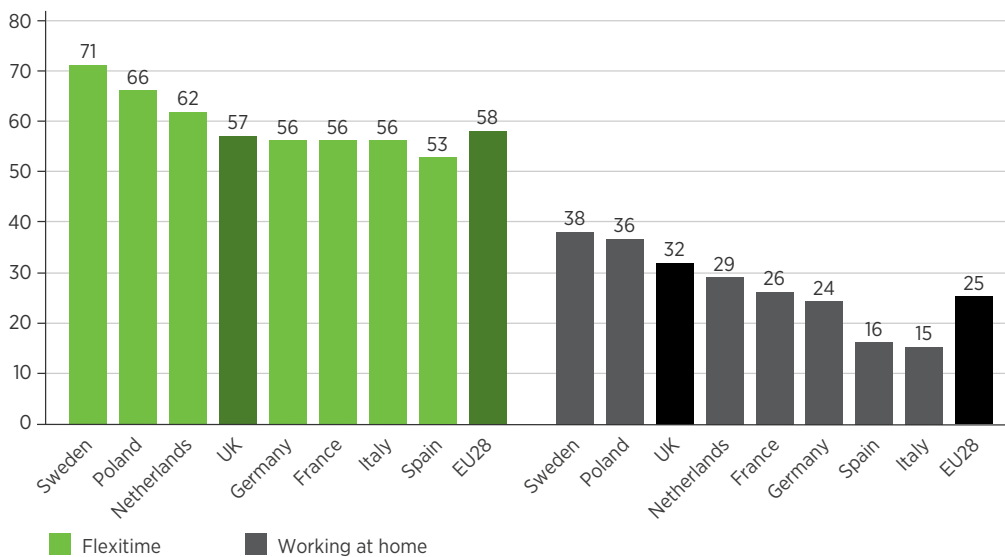
Figure 3: Some forms of flexible work widely available and widely used in 2018 (%)



Notes: flexible working is flexitime, part-time work or doing some work at home, available in current or last employer.

The same survey asked people whether flexitime, part-time working, and working at home were widely available at their current or last employer. As might be expected from the official statistics cited above, part-time work and working at home were thought to be more widely available within workplaces in the UK than in most other EU countries (64% for the UK, 53% across the EU for part-time work and 32% and 25% for working at home). Flexitime was widely available in 57% of UK workplaces, about the same as the EU average but lower than in Sweden (71%), Poland (66%) and the Netherlands (62%).

Figure 4: Availability of flexitime and working at home in 2018 (%)

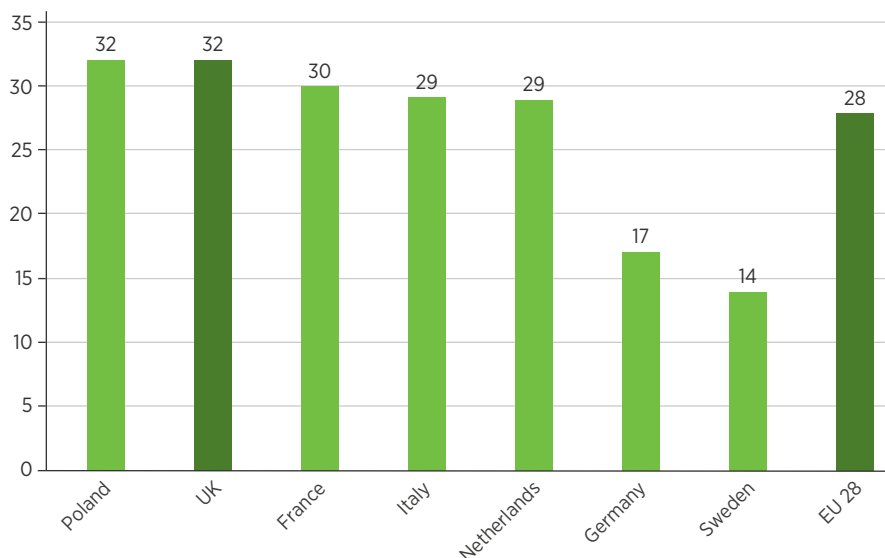


Note: share who said either very or fairly widely available
 Source: Eurobarometer (2018)¹⁵

Most people in most countries thought flexible work was easy to use (76% in both the UK and across the EU). In the UK, significant minorities reported that taking up flexible work was actively discouraged by managers or supervisors (32%), was perceived to have damaging consequences on careers (30%) or was disapproved of by work colleagues (30%).¹⁶

Part of the focus of efforts to promote flexible working has been on the actions of managers and supervisors and the survey suggests the UK is not doing especially well measured by the perception of employees. People who worked or had worked flexibly were more likely to see managers and supervisors as discouraging when it came to working flexibly in the UK than across the EU (32% and 28% respectively) and much more so than in the leading economies such as Germany (17%) and Sweden (14%). This is a share of employees, not a share of managers, but it is nonetheless indicative of an important potential barrier among some managers that will need to be addressed, as identified by the CIPD over several years. The CIPD's new guidance on flexible working looks at the barriers and facilitators to flexible working for organisations, line managers and individual workers in more detail.

Figure 5: Flexibility for some perceived as discouraged by managers (%)



Note: flexibility is flexitime, part-time work and working at home. Share who worked or had worked flexibly and agreed with statement that managers or supervisors usually discouraged flexible working.

Source: Eurobarometer (2018)¹⁷

The EU survey also asked about preferences for flexitime, part-time working and working at home. In the UK nearly 70% wanted flexitime compared with 58% across the EU. Preferences for part-time work were much weaker – 28% in the UK and 25% across the EU. Homeworking was also less popular, preferred by 29% in the UK and 20% across the EU. In the UK it looks as if provision is broadly in line with people's preferences for part-time work and working at home, but in common with many other EU countries we are coming up short on flexitime.

Evidence on changes over time is limited, but for most countries, like the UK, there seems to have been relatively little progress towards more flexible working as measured by more general statements on flexible work. In 2015 about 58% of people in the UK said that they did not have a fixed start and finish time, as did 61% across the EU, according to the European Working Conditions Survey. Most people also said their working hours fitted well with their family and social responsibilities (82% in the UK, 81% in the EU). These figures are almost unchanged from the 2005 survey.

3 Flexible work in the UK today

In this section we look in more detail at six specific forms of flexible working – flexitime, working at home during regular office hours, compressed hours such as a four-day week, job-sharing, term-time working (where people can take time off during school holidays), and reduced hours, such as moving from full-time to part-time work. Flexitime was the most common, used by 34%, followed by working at home (29%), reduced hours (12%) and compressed hours (10%). Term-time working and job-shares were much less common, used by only 4% and 3% respectively. In this section the base is all employees who responded to the survey who had been in their current job for at least 12 months.

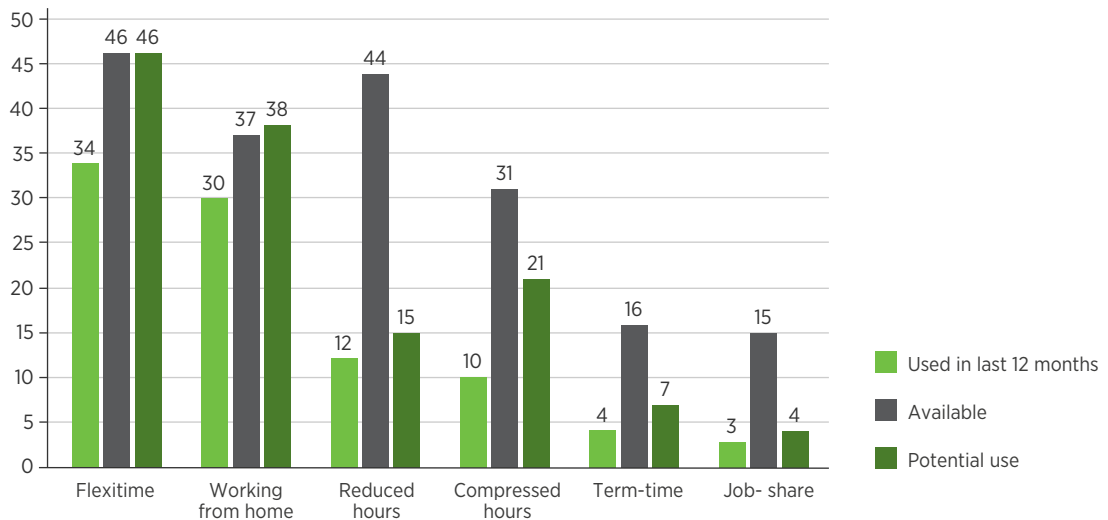
Demand- or supply-side problem?

The lack of progress shown in section 2 could be because of lack of supply from employers or a lack of demand from employees (or more likely something of both). The *UK Working Lives* survey shows that when flexitime or working at home is available, take-up is high – for example, with flexitime, 34% of respondents said they had used it in the past 12 months, and only 12% said that, while it was available at their workplace, they had not used it; similarly, 29% of respondents said they had used working at home recently, and 8% said that, while it was available, they had not used it. For all other forms of flexibility covered in the survey, the reverse was the case. For example, reduced hours had been used by 12% of all respondents but was reported as available but not used by 32%, while compressed hours had been used by 10% but 21% said it was available and not used. Term-time working was used by just 4% of respondents, but was reported as available but not used by 12%, and similarly job-share was used by just 3% but reported as available and not used by 12%.

This only gives us some indication of use when available, and the *UK Working Lives* survey asks whether people for whom the option is not available at present whether they would use such practices if they were made available. Taking these responses at face value would greatly increase the share of people who would like to work flexibly, suggesting widespread unmet demand. For example, 68% of those who have no access to flexitime working say they would definitely or probably take it up. However, as this is a hypothetical question, we have restricted the analysis just to those who definitely said they would take up the option if it were available. In all cases there would be a significant increase, but with large increases for flexitime, working at home, and compressed hours. The increase would be more modest for reduced hours and term-time working, and job-sharing would remain relatively uncommon.

Putting these two findings together, we can confirm that there is a widespread supply-side problem, in that significantly more people appear to want to work flexibly than can do so. However, there also appears to be a demand-side constraint for some forms of flexibility, evidenced by relatively low take-up even when available, notably reduced hours, compressed hours, term-time working and job-sharing. This conclusion is supported by the industry analysis, which shows us that use of these forms of flexibility is much the same across a range of industries where availability differs significantly. One implication might be that unless demand constraints can be addressed, the rise in workplace availability would have to be unrealistically high to significantly increase the share of people who access these forms of flexibility. Another is that these forms of flexibility are likely to be taken up by only a small share of the workforce, even if they are made more attractive and accessible.

Figure 6: Use, availability and potential use of flexible working (%)



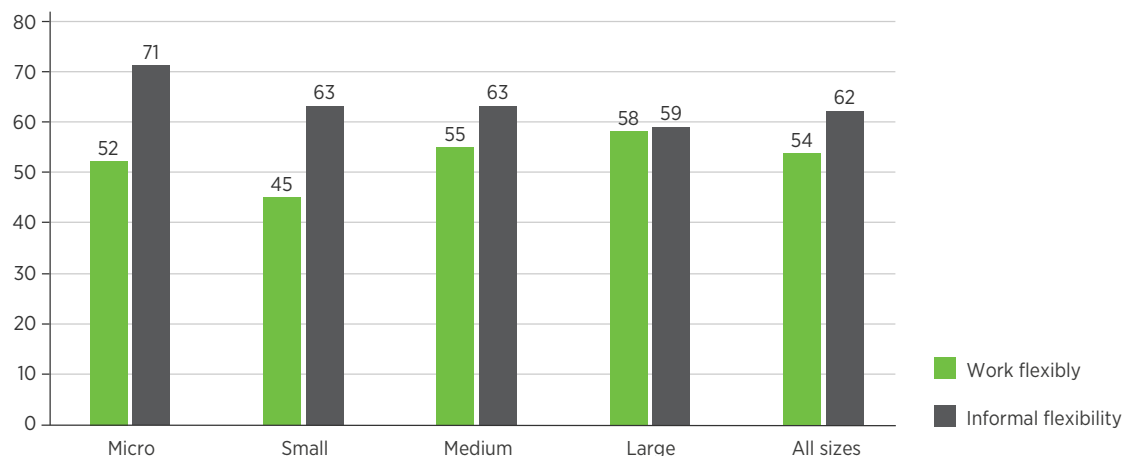
Note: actual use is share who said they had used this option in the last 12 months. Potential share is actual use plus those who said the option was not available in their workplace but who would definitely take it up if it were made available. This gives a lower figure than in the EU survey quoted earlier in this report, as we have excluded those who said they would 'probably' take up the option.

Source: CIPD UK Working Lives survey (2019)¹⁸

Flexibility and size of organisation – is lack of flexibility a big or a small firm problem?

The CIPD UK Working Lives survey allows us to take a look by size of organisation to see how far formal flexible working arrangements and more informal measures of flexibility are more common in large or small organisations. In fact, there seems to be only modest differences by employer size. Overall, across all firm sizes, some 54% said they worked flexibly, with a slightly higher share in large firms of 250 employees or more, at 58%, and a lower share for small firms (10–49 employees) at 45%. The share for micro-firms (1–9 employees) and medium-sized firms (50–250 employees) were close to the average for all firms. There was also relatively little variation in informal flexibility measured by the ability to take time off for an hour or two for family or personal reasons. Some 62% said it was either easy or very easy to do so, and this was similar across the size distribution, except for micro-firms employing fewer than ten people, where the share was higher at 71%.

Figure 7: Flexible work and informal flexibility, by size of employer (%)

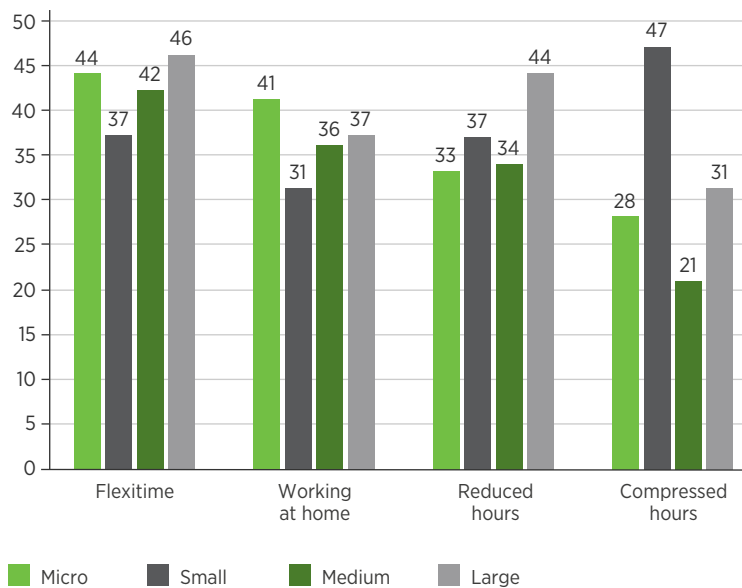


Note: firm size bands are in line with those used in UK and EU business statistics. Micro = fewer than 10 employees; small = 10–49 employees; medium = 50–249 employees; large = 250 or more employees. Informal flexibility measured by share saying it would be easy or very easy to take an hour or two off work for family or personal reasons.

Source: CIPD UK Working Lives survey (2019)¹⁹

There was also relatively little variation in the availability of different types of flexibility by firm size. People who worked in micro-firms were more likely to report using flexitime and working at home. Large firms were more likely to provide reduced hours as an option (36% said it was available but not used compared with 32% for all firms), but take-up (12%) was no higher than for all firms (12%). Similarly, more complex flexibilities such as job-sharing were more likely to be available in large organisations, but take-up was no higher than in smaller organisations (though the sample size is small). It may be that increased availability will not of itself increase the use of this form of flexible working.

Figure 8: Flexible work available, by employer size (%)



Note: micro = fewer than 10 employees; small = 10-49 employees; medium = 50-249 employees; large = 250 or more employees. Available is either used in last 12 months or available and not used.

Source: CIPD UK Working Lives survey (2019)²⁰

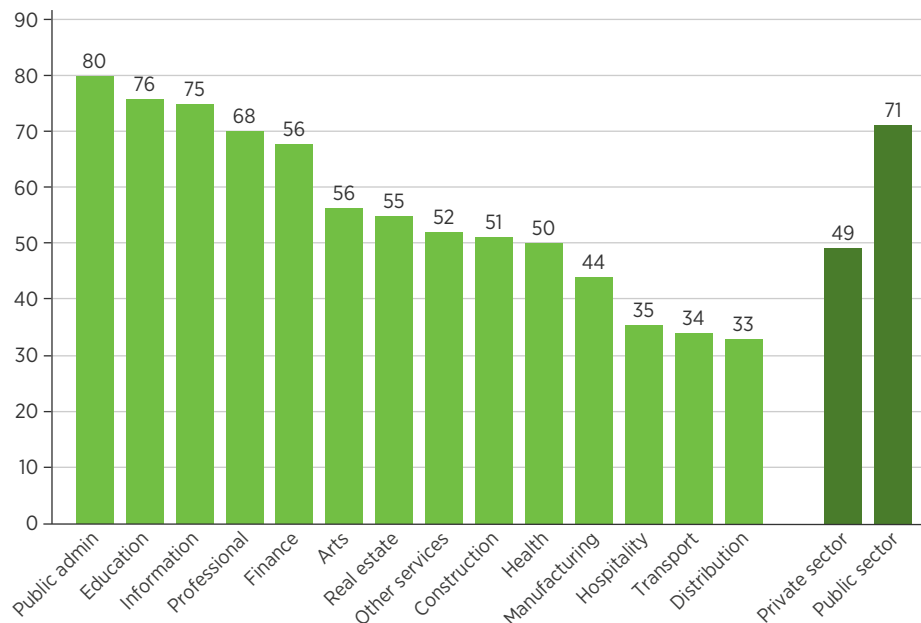
These results beg the question about why large firms are only slightly more likely to provide formal flexible working arrangements covered in this survey – with the exception of reduced hours and job-share – than small and medium firms taken as a whole, given that they typically have significantly greater resources to manage these arrangements and often take the lead in supporting campaigns to promote flexible working. In some cases, they may be providing flexibility through other options, such as part-time work; and some may believe they do not face strong demand from their employees to make such practices more widely available.

Flexibility and industrial sectors

There are likely to be significant differences in flexible working across sectors, reflecting the nature of businesses and the composition of the workforce. Overall, it is the low-paying industries of distribution and hospitality that are least likely to have the forms of flexibility covered in the survey, with 33% and 35% reporting that they work flexibly. Flexible work was much more common in the higher-paying industries, such as information services (75%), professional, scientific and technical services (70%), and financial services (68%), and the public sector, with an average of 71%. The low-pay industries do of course have above-average levels of part-time working, while the CIPD survey just covers those who decided to reduce their hours, for example, from full-time to part-time. These differences across industries are partly explained by the higher shares of higher-skill jobs in industries

such as finance and business services and the public services, as some forms of flexible working, such as working at home, are typically most widely available for managers and professionals.

Figure 9: Flexible working, by industrial sector (%)



Note: flexible working includes flexitime, working at home, compressed hours, reduced hours, job-share and term-time working. Information includes communication services. Professional is professional, scientific and technical services. Arts is arts, entertainment and recreation. Health includes social care.

Source: CIPD UK Working Lives survey (2019)²¹

In the past it has been suggested that the public sector and in particular the civil service should be an exemplar of flexible working practices,²² and that goal has been reaffirmed in the Government's response to the Women and Equality Committee. We do not have survey evidence for the civil service specifically, but public administration has well above average levels of availability for all flexibilities covered in our survey except compressed hours. However, take-up is only exceptional for flexitime. Working at home is more common in public administration than the average but is less common than in some private sector high-value-added services. For reduced hours, compressed hours, job-share and term-time working, take-up is no better in public administration than in industries where these types of flexibility are much less commonly available.

There are some other sector differences. Flexitime typically has high levels of take-up in all industries, but less so in distribution, where, although 28% reported it was available, just 17% said they had used it in the last 12 months. Working at home was very widely used and had high take-up in higher-value-added services such as information and communication services, where 68% said they had used it and 77% said it was available, and much less common in lower-pay industries such as distribution and hospitality, where just 10% said they had used it and around 14% said it was available.

Reduced hours, compressed hours, term-time working, and job-share all had low take-up in almost all industries, regardless of availability. There were a few exceptions. Reduced hours were most likely to be taken up in real estate, and this was the only sector where take-up was relatively high (20% said they had used it and 36% said it was available). Term-time working was, unsurprisingly, much more common in education than in other sectors, with 30% reporting they had used it and 42% saying it was available compared with just over 4% and 16% across all industries.

How do people get to work flexibly – would more open advertising help?

It has been suggested that all jobs should be advertised as potentially flexible wherever possible as a means of increasing both the availability and take-up of flexible work. The House of Commons Women and Equalities Committee has recommended that all jobs should be available to work flexibly unless an employer can demonstrate an immediate and continuing business case against doing so.²³

Across all the flexibilities, about 27% of those who had used a flexible work option in the last 12 months said that flexibility had been openly advertised with the job. A small share (4%) said they had requested flexibility as a condition of acceptance. Although another 23% said they requested to use flexibility after they had started a job, just as many (27%) said they had not had to make a formal request because that was just the way things were done in their workplace.

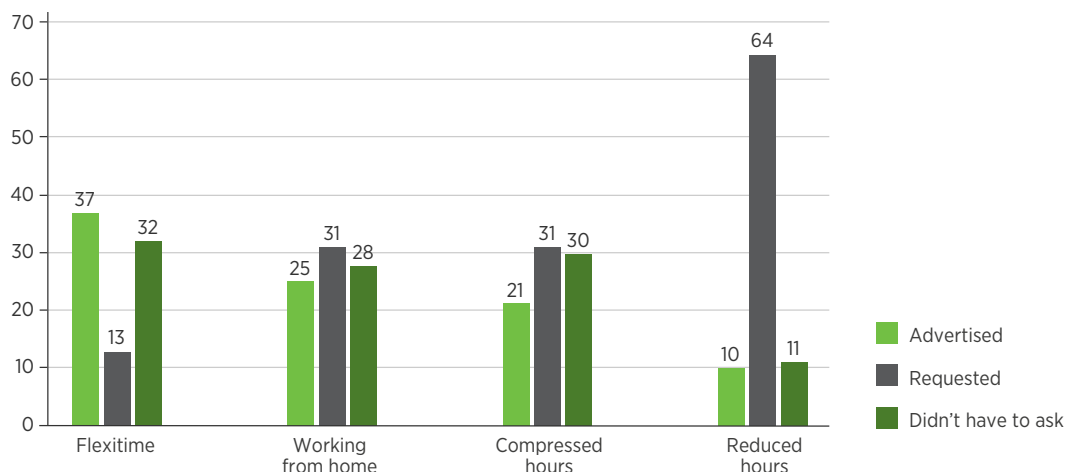
There was significant variation across the flexibilities, with 37% who had used flexitime saying that it had been openly advertised with the job and 35% of those in job-shares, compared with around 20% for compressed hours and term-time working and just 10% who had reduced their hours. Post-employment formal requests were, not surprisingly, highest for those who reduced their hours (64%) and lowest for those who worked flexitime (13%).

However, a significant share of people said they didn't have to make a formal request because it was the way that things were done in their workplace. This was especially true for those working compressed hours (30%), flexitime (32%), working from home (28%), but much less so for those in job-shares (11%), term-time working (13%) or who had reduced their hours (11%). This suggests there is a great deal of informal practice for some but not all forms of flexibility in some workplaces.

Not all flexibilities involve choice. Overall, while 9% said they had no choice, this increased to 13% for those doing compressed hours, and 32% of those doing term-time working (though for the latter the sample size is small). Involuntary flexibility was less common among those working from home (4%), with involuntary flexitime reported by 10%.²⁴

We cannot directly say from these answers whether including a flexibility option in more jobs when advertising would improve matters and by how much. However, the impact is likely to vary across flexibilities and there appears to be no straightforward relationship between the share openly advertised and subsequent take-up. For example, job-share is a flexibility more likely to be advertised than most but has both low incidence and take-up.

Figure 10: How people entered flexible working (%)



Note: requested includes both requests made at time of interview and requests made after job started.

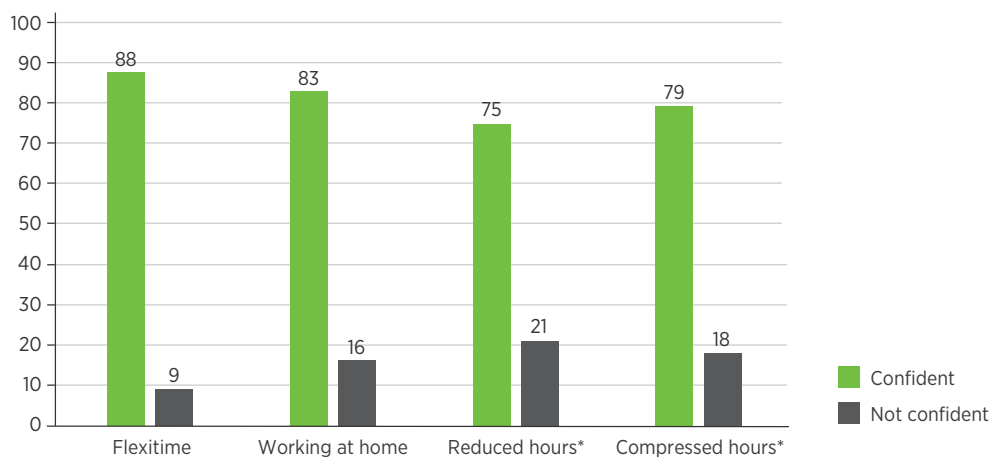
Source: CIPD UK Working Lives survey (2019)²⁵

Right to request

Successive governments have introduced and strengthened rights to request, although section 2 suggests that these rights have had little impact on the share of people working flexibly over the past 15 years or so, and some analyses suggest that ‘deadweight’ is very high – in other words, flexibility would have been conceded even in the absence of a right.²⁶ Most people who requested flexible working said they were either very or fairly confident that they would get it, over 80% for most types of flexibility. Although this might suggest right to request is working relatively well, albeit with some room for improvement, some people who felt that a request was unlikely to be granted may well have been put off making an application in the first place.

Some 17% of those who had worked flexibly said they were either not confident or not confident at all that it would have been approved when they applied, varying from 12% for flexitime to around 20% for compressed hours and reduced hours (the shares were also above average for job-share and term-time working, but the sample size is too small to safely draw any conclusions). These groups are the most likely to have benefitted from right to request legislation, as we can infer that at least some of their employers would otherwise have been reluctant to concede flexible working.

Figure 11: How confident were people when they applied to work flexibly? (%)



Note: * small sample size. Confident is sum of very confident and fairly confident. Not confident is sum of not confident and not at all confident.

Source: CIPD UK Working Lives survey (2019)²⁸

Flexibility, career prospects and quality of life

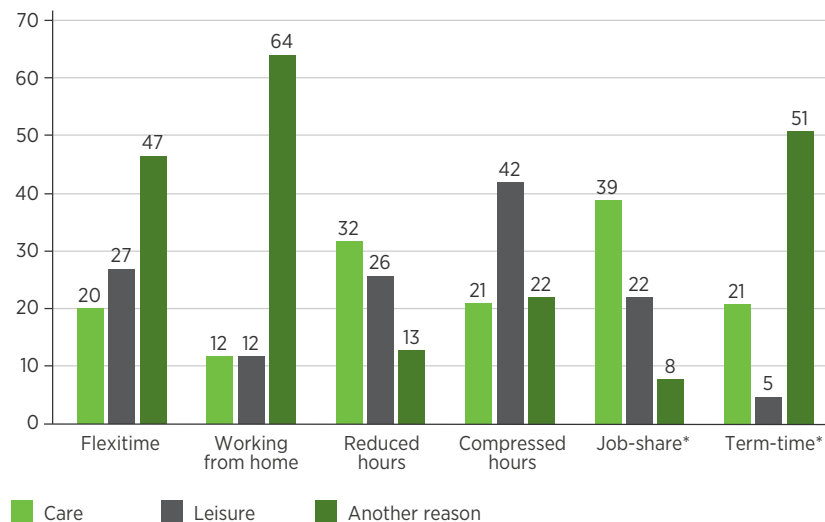
People may be concerned that some forms of flexibility may adversely affect their career prospects, but the survey suggests that relatively few people think it has negative impacts, with 9% overall saying it had negative or very negative effects. In contrast, somewhat more people (17%) said it had a positive impact. The vast majority said it had neither positive nor negative impacts.

Flexitime and compressed hours were the least likely to be seen as having negative impacts, in contrast to reduced hours, where a significant minority (26%) thought it had an adverse impact. This can be seen as part of the well-documented pay and prospects penalty associated with part-time work. Term-time working and job-share had high shares citing a positive impact, but job-shares was more polarised, with a significant minority thinking it had negative impacts (a small sample size means these results have to be treated with caution). In contrast, the vast majority of people think working flexibly has

been positive or very positive for their quality of life, between 70% and 80% for most flexibilities, with only a small minority thinking it has negative impacts. The share thinking it had positive impacts was somewhat lower for job-share.

However, the reasons why people enter flexible working can be complex. In the survey the biggest answer by far was 'other reasons' (39%), followed by increased leisure time (29%) and care for a child or adult (22%). Working at home was most likely to be for 'other reasons' (64%), but perhaps more surprisingly, people working at home were also less likely than most to say it increased leisure time (12%), which suggests that claims it improves work-life balance may be overstated. For other flexibilities the motivations were less opaque, with leisure time the most important reason for compressed hours,²⁸ and both care and leisure time of roughly equal importance for people opting for flexitime or reduced hours. Care was of above-average importance in reduced hours and job-share, while 'another reason' was the most important for term-time working.

Figure 12: Why people opted for flexible working (%)



Note: * small sample size. Other possible answers were own-illness (7%), education or training (3%), to do another job (2%), or could not find another job (2%).

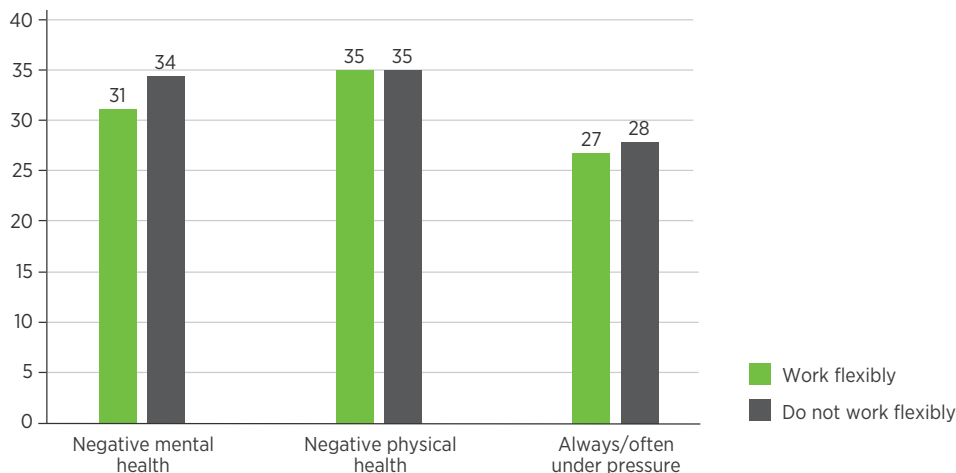
Source: CIPD *UK Working Lives* survey (2019)²⁹

Workplace well-being and flexible working

An important finding from the 2018 *UK Working Lives* survey was that improvements to mental and physical well-being had the strongest association with improving the quality of work, and that, consequently, for employers interested in raising the quality of employment, this was the area most likely to produce results. Although those who worked flexibly reported it improved their quality of life, we found a mixed message on the link between workforce well-being and flexible working.

Overall, those who reported working flexibly were more likely to say that their work had positively affected their mental health than those who did not (35% and 30% respectively) and less likely to say it had a negative impact (31% against 34%). There was, however, no significant difference on physical well-being, perhaps because changing hours and start and finish times is unlikely to have much impact on the physical demands of the job. Perhaps more surprising, those who worked flexibly were only slightly less likely to report they felt under excessive pressure in their job most or all of the time (27%) than those who did not have access to flexible working (28%).

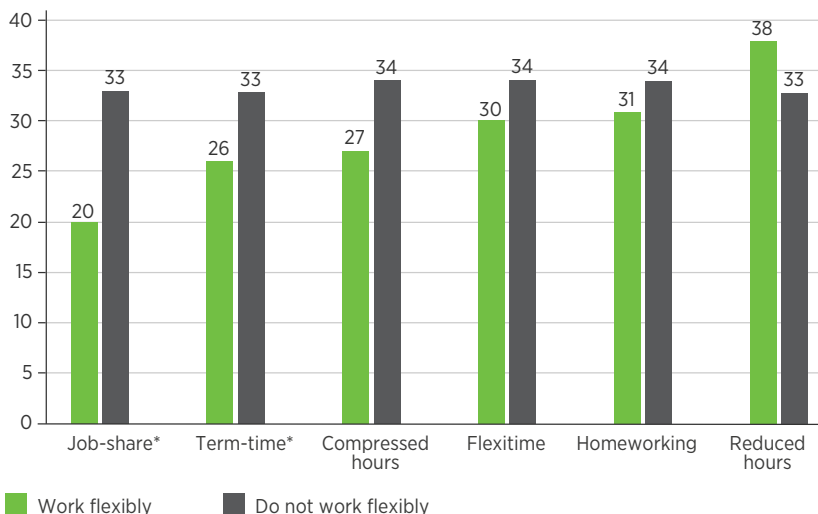
Figure 13: Flexible working and workplace well-being (%)



For most of the flexibilities covered in our survey, those who worked flexibly were less likely to report their work had negative impacts on their mental health than those who did not, with the exception of reduced hours, where those who used this flexibility were more likely to report negative impacts on mental health than those who did not use this flexibility. Those who worked job-share or term-time working were significantly less likely to report negative mental health issues from work than those in other forms of flexible working. Excessive pressure at work was reported less frequently by those who worked flexitime, job-sharing, and reduced and compressed hours, but there was little or no difference for those who worked at home or did term-time working. There was also little difference across the flexibilities.

All of these results will be influenced by differences in the sort of jobs and personal characteristics between those who opt for these forms of flexibility, especially for job-share and term-time working, which are taken up by relatively few people. However, while most flexibilities seem to be associated with better mental well-being, working from home is the flexible option least likely to make a difference to mental well-being at work or excessive pressure.

Figure 14: Reported negative mental well-being from work, by flexibility (%)



Note: share who said their mental health was either very negatively or negatively affected by their work. Do not work flexibly includes those who had not used this type of flexibility but said it was available and those who said it was not available. * small sample size.

Source: CIPD UK Working Lives survey (2019)³⁰

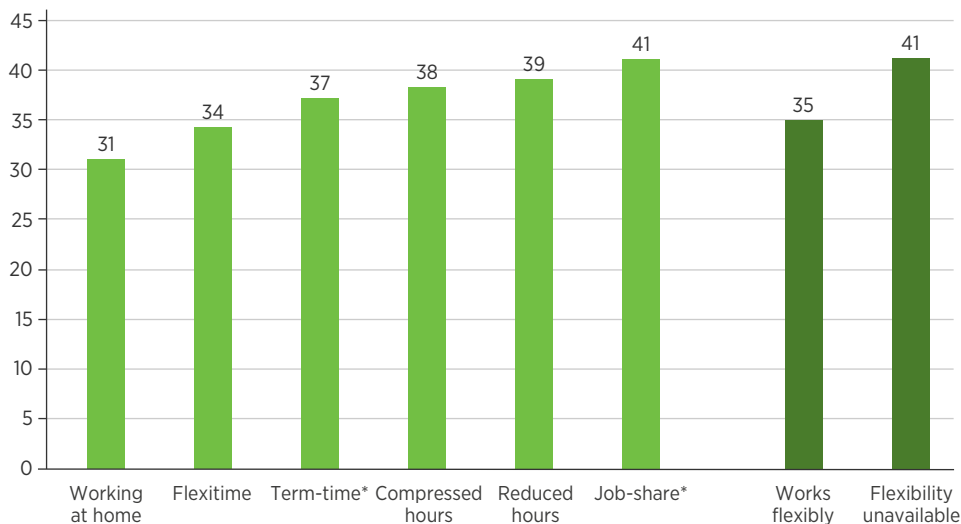
Flexibility and skills

A major policy concern for many years is that in many workplaces skills are not being fully utilised, measured by the share of people who say their skills would allow them to do more demanding jobs ('overskilling'), as shown in a recent CIPD report.³¹ It is not clear whether this problem is more or less acute among those who have chosen to work flexibly – for example, one concern has been that some workers who chose flexible work may miss out on progression and become side-lined in jobs whose duties do not grow with the experience of the worker. We find no evidence for this. Indeed, over all the flexibilities covered by this report, the share of workers who work flexibly who say they are overskilled is lower (35%) than those who have no flexible work option available (41%).

Those working at home (31%) were less likely to report overskilling than those working in job-shares and term-time working (both around 40%). However, some of these differences may easily be explained by the fact that working at home is much more common in higher-pay jobs and occupations where the incidence of overskilling is lower. The higher overskilling rate for job-share may mean that in some instances it is hard to make the arrangement work without accepting fewer demanding tasks, but overskilling is no more common for job-shares than among those who do not work flexibly.

We should be wary about drawing firm positive linkages or associations between skills utilisation and some forms of flexible working at this stage. However, there is nothing to suggest that working more flexibly is associated with lower skills utilisation and, by implication, worse outcomes for some aspects of labour productivity.

Figure 15: Overskilling and flexible working (%)



Note: * small sample size.

Source: CIPD UK Working Lives survey (2019)³²

4 Policy implications

It appears the current public policy framework, which has largely been based on a gradual extension of the right to request flexible working to cover all employees, has reached the limits of what it can do, given there has been no underlying increase in the use of flexible working practices over the past 15 years.

Some of the reasons for the lack of advance may be beyond the control of any flexible working policy programme. The rise of self-employment in the UK may offer flexibilities for some that employment either cannot deliver or that employers are unwilling to concede. However, it is hard to point to changes in workforce or industrial composition that can plausibly explain why the share of workers in flexible work arrangements today is almost unchanged since the mid-2000s.³³

It is therefore clear that we need a new flexible working policy framework if significant progress is to be made over the next 15 years. We therefore strongly welcome the establishment of the Flexible Working Task Force (see box below) by the current government as part of a wider commitment to improve the quality of work through enhanced promotion of good practice via key partners and stakeholders. The task force has brought together a summary of the evidence underpinning the business case³⁴ for maximising the use of flexible working practices and has used its members to launch a communications campaign³⁵ to highlight the importance of advertising more jobs as flexible.

There is a case to boost this approach by identifying and disseminating best practice and what works through a targeted government-funded programme that can test different approaches to boosting flexible working through sector and regional initiatives. The Flexible Working Task Force could act as a steering group for this programme and ensure that key insights are promoted via the professional bodies, business associations, trade unions, non-profit organisations and government departments that make up its membership.

History tells us that this is an area where steady progress over many years working with employers, trade unions, and other stakeholders is far more likely than a spectacular breakthrough driven by legislation. An oversight body, such as the task force, either as a stand-alone entity or as part of an existing body such as Acas, to help drive that change in the UK's workplaces would help sustain momentum and offer practical advice and support to employers.

The Flexible Working Task Force was established in 2018 to help widen the availability and uptake of flexible working across the workforce by bringing together a range of organisations with relevant reach and expertise.

It is co-chaired by the Department for Business, Energy and Industrial Strategy (BEIS) and the CIPD, and its members include the Confederation of British Industry (CBI), Chartered Management Institute (CMI), Federation of Small Businesses (FSB), Trades Union Congress (TUC), Age UK, Carers UK, Timewise Foundation, Working Families, Acas, the Department for Work and Pensions, and HM Treasury.

Since its establishment it has set out to:

- Clarify the benefits of flexible working.
- Investigate the barriers that prevent employers from offering, and individuals taking up, flexible working options.
- Develop evidence and understanding of the most effective ways to increase provision and support.
- Increase the number of flexible working opportunities available by drawing together guidance and recommendations.

The task force will also feed into the evaluation of the effectiveness of the Right to Request Flexible Working Regulations in 2020.

The assumption underpinning some policy interventions is that this is fundamentally a problem of lack of supply, and there is some truth in that view for most forms of flexible working and certainly for flexitime. But we also find evidence of a lack of strong demand for some forms of flexible work, notably reduced hours, job-share and term-time working, in that take-up is relatively low even when it is made available. The lack of demand for some forms of flexibility, such as reduced hours, may be because significant minorities think they have negative impacts on their progress at work. Without complementary policies to tackle these and other barriers, extending the use of some forms of flexible working will face an uphill battle.

Some reliance has been placed on the right to request, although assumptions made in previous official assessments suggest deadweight is high and the additional number of people who can access flexible working as a direct result of the legislation is consequently modest. The group most likely to include some beneficiaries of the legislation are those who successfully requested flexible working but who were not confident that it would be granted. Overall, this group is relatively small and those types of flexibility for which it was a bigger issue were often the least popular in terms of take-up. Future extensions of right to request along the lines of those introduced to date may therefore have a positive but modest impact. A more effective approach than tinkering with the legislation may be for the Government to support a flexible working communications campaign to highlight the benefits of flexible working to both individuals and employers.

In terms of specific employer practices, there is good reason to think that, in principle, improving the share of jobs advertised as being flexible will also increase the share of people who work flexibly, as it would improve job-matching between those seeking flexible work and those employers prepared to offer it. It might also encourage more people to take up paid employment. There is certainly room for improvement. At present, only 27% of people who worked flexibly in the last 12 months said that flexibility was openly advertised when they took the job.

In some ways this may be pushing at an open door, as many employers are granting the vast majority of post-appointment requests and others are operating a flexible work culture where many people can work flexibly without asking. Signalling that post-employment practice more clearly in adverts should not be too onerous, and to the extent that it helps recruitment, this may be a relatively easy win for some employers. However, for exactly that reason, the additional impact on the incidence of flexible working may be modest, as those employers most likely to change their advertising practices are also those who already offer flexible working.

A surprising result was that we find only a weak relationship between the formal flexible working practices covered in the survey and firm size. People who worked in micro-firms (fewer than ten employees) were the most likely to report flexible working, perhaps out of operational necessity. Overall, however, small firms with 10–49 employees were least likely to offer flexible working. Small firms are also more likely to find moving beyond the status quo to be challenging, especially for those forms of flexibility that demand more HR expertise to make them work in a way that benefits both individuals and employers. We recommend strengthening support for owners and managers of small firms through the provision of enhanced HR support at a local level through recognised business support services, for example those provided by Growth Hubs and Local Enterprise Partnerships (LEPs).

The CIPD has piloted an approach to providing high-quality HR support in this way through its positively evaluated People Skills³⁶ initiative, and there is a strong case for rolling out this model across the LEP network.

However, this still begs the question of why the flexible work practices covered in this survey seem to be no more prevalent among large employers (250 or more employees) than among many smaller employers. This may be a significant contributor to the stalling of progress in recent decades, and we recommend resolving this question as a future line of inquiry for the suggested permanent task force.

There are clear differences by industrial sector, with a clear split between low-pay and higher-pay services and between the private sector as a whole and the public sector. Some of this will reflect differences in business models, markets, and workforce composition. Lower-pay industries also offer flexibility through extensive part-time work, which is only partially covered by our survey. Consequently, as we recommend above, there should be a clear sectoral dimension to developing a new flexible working framework, not least because, while there may be common problems, the best way to solve some of them will be implementation at the sectoral level and that, in turn, will vary depending on both business need and demands from the workforce in those industries.

The pledge to make the civil service an exemplar of flexible working has been largely met, measured by the availability of most flexible working options across public administration. However, widespread availability has not always led to better take-up for some forms of flexibility.

An important finding in the CIPD's 2019 *UK Working Lives* survey was that improving the physical and mental well-being of the workforce had some of the strongest associations with quality of work indicators, and this area should therefore be given some priority by employers. We find some evidence that flexible work contributes to better mental well-being but not to physical well-being or, to any great extent, excessive pressure at work. The linkages between different types of flexible working and some of these well-being indicators need to be better understood to ensure that the promotion of flexible work leads to better outcomes.

We can with reasonable confidence set aside fears that encouraging more flexible working will per se reduce skills utilisation and, by extension, some aspects of labour productivity, but at this stage we cannot say that there is a positive association. Some forms of flexibility may be associated with worse outcomes on utilisation than others. It would nonetheless be important in developing policies that make better use of skills to develop complementary policies to promote flexible working.

The UK does reasonably well on some measures of flexible working compared with most of the larger EU labour markets, mainly because part-time work and homeworking are more widely available. It would be unrealistic to expect the UK to catch up to the more extreme examples such as the Netherlands. Nonetheless, we are behind some of the better performers on some measures, and developing a scorecard based on best practice overseas for particular forms of flexibility should become part of the new framework.

The CIPD has consistently identified the need to focus on informing and supporting managers and supervisors, who are critical if flexible working is to be successfully implemented in UK workplaces. There is some evidence that managerial disapproval is a more significant constraint on flexible working in the UK than some EU countries. This area needs to be given a high priority in future programmes to support flexible working.



5 Notes

- 1 House of Commons Library Briefing Note, October 2018. The note reports that the then BIS (now the Business, Energy, and Industrial Strategy (BEIS) Department) estimated deadweight was 88% for the extension of the right to request introduced under the Coalition Government in 2012 and implemented in 2015. <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN01086>
- 2 For example, the Labour Force Survey list of flexible working arrangements includes zero-hours contracts but not working at home, though the latter is covered in a separate question in the survey.
- 3 Costa Dias, M., Joyce, R. and Parodi, F. (2018) *Wage progression and the gender wage gap: the causal impact of hours of work*. Institute for Fiscal Studies. Available at: www.ifs.org.uk/publications/10358
- 4 Beatson, M. (2019) *Megatrends: flexible working*. London: Chartered Institute of Personnel and Development. Available at: www.cipd.co.uk/Images/megatrends-report-flexible-working-1_tcm18-52769.pdf
- 5 Wheatley, D. and Gifford, J. (2019). *UK working lives*. Survey report. London: Chartered Institute of Personnel and Development. Available at: www.cipd.co.uk/workinglives
- 6 Flexitime, annualised hours, term-time working, job-share, 4.5-day week/9-day fortnight, zero-hours contract, on-call working.
- 7 ONS. (2014) *Analysis of employee contracts that do not guarantee minimum number of hours*. Available at: <https://webarchive.nationalarchives.gov.uk/20160106105144/http://www.ons.gov.uk/ons/rel/lmac/contracts-with-no-guaranteed-hours/zero-hours-contracts/art-zero-hours.html>
- 8 Employees who mainly work at home or more commonly use home as a base, defined as at least 50% of their usual weekly hours.
- 9 Eurostat distinguishes those who ‘mainly’ worked from home (1% in 2003, 2% in 2017) and those who ‘sometimes’ worked at home (20% in 2003 and 18% in 2017).
- 10 Beatson (2019).
- 11 <https://ec.europa.eu/eurostat/web/lfs/data/database>
- 12 Beatson, M. (2018) *Megatrends: more selfies? Self-employment in the UK*. London: Chartered Institute of Personnel and Development. Available at: www.cipd.co.uk/knowledge/work/trends/megatrends/self-employment
- 13 In 2017 over 60% of people working part-time wanted a full-time job in Spain and Italy and 40% in France. This compares with 13% in the UK, 11% in Germany and 6% in the US. (OECD database. All figures include self-employed.)
- 14 Eurobarometer 470 work-life balance. Available at: www.eesc.europa.eu/en/news-media/news/release-eurobarometer-report-work-life-balance-european-commission
- 15 Ibid.

- 16 The questions on managers were only asked of those who worked or had worked flexibly, and the others were asked of all in work or who had worked, so cannot be directly compared with each other. The question on career damage also cannot be directly compared with a similar CIPD survey question which was confined just to those who had worked flexibly.
- 17 Eurobarometer 420 Work-life balance 2018. Available at: <http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurveydetail/instruments/flash/surveyky/2185>
- 18 Wheatley and Gifford (2019).
- 19 Ibid.
- 20 Ibid.
- 21 Ibid.
- 22 House of Commons Library. (2018) *Flexible working*. Available at: <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN01086>
- 23 Parliament. (2016) *Conclusions and recommendations: understanding the gender pay gap*. https://publications.parliament.uk/pa/cm201516/cmselect/cmwomeq/584/58412.htm#_idTextAnchor141
- 24 Some of these answers look on the surface a little contradictory. For example, it is not clear how people can be forced to use a flexitime system, but it may be that in some workplaces flexitime is not, in practice, very flexible or people feel under pressure to start or end in line with the majority of their colleagues.
- 25 Wheatley and Gifford (2019).
- 26 House of Commons Library (2018).
- 27 Wheatley and Gifford (2019).
- 28 Compressed hours redistribute rather than cut hours, so it is likely people valued the three-day break for leisure activities.
- 29 Wheatley and Gifford (2019).
- 30 Ibid.
- 31 Crowley, L. (2018) *Over-skilled and underused: investigating the untapped potential of UK skills*. London: Chartered Institute of Personnel and Development. Available at: www.cipd.co.uk/knowledge/work/skills/untapped-potential-uk-skills
- 32 Wheatley and Gifford (2019).
- 33 Another possibility is the decline in public sector employment, where flexible working as covered in this survey is more widespread than in the private sector. However, the share of flexible working did not increase in the period before 2010 when the public sector expanded.
- 34 www.cipd.co.uk/Images/flexible-working-business-case_tcm18-52768.pdf
- 35 www.cipd.co.uk/about/media/press/flexible-working-taskforce
- 36 <https://peopleskillshub.cipd.co.uk/about>



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