



# Paper

## Beyond the hybrid

Exploring the potential for a broader approach to flexible working

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## Introduction

Despite significant change, since the pandemic, in how parts of the workforce work, a substantial challenge remains in enabling the benefits of flexible working to reach those who often need it most. Examples of good and promising practice have emerged, supported by evidence of positive impacts. Amid continuing challenges around recruitment, retention, productivity and wellbeing, an opportunity exists for organisations to adopt flexible working more widely and to achieve positive outcomes for individuals, business and wider society. What works well are principles-based and agile approaches which capture evidence of change to establish the business case and foster momentum.

Since the Covid-19 pandemic, hybrid working has dominated the debate on flexible working. Discussion has revolved around how hybrid working can be most successfully deployed and the challenges that brings. While it is important to address these issues, too much attention on hybrid working risks drowning out the worker voice of millions of people who cannot work remotely and risks their alienation.

*It's well worth reminding senior executives, as well as policymakers, that a significant share of the global workforce can't work remotely. This group – 45 per cent of the respondents in our survey – report less satisfaction with their job than those working in hybrid or fully remote work settings (50% versus 63%).*

[PWC's Global Workforce Hopes and Fears Survey 2022](#)

Prior to the pandemic, 14.5 per cent of people worked from home ([ONS, 2022a](#)). Now, 44 per cent of workers are home or hybrid working ([ONS, 2023a](#)). That is a huge shift, and such a change is always going to make this a hot topic for HR. Fuelling this, however, is the fact that those impacted are often in senior roles. 61 per cent of workers earning £40,000 or more are home or hybrid workers, while only 36% of those earning £15,000 to £20,000 and just 14 per cent of those earning up to £15,000 do the same ([ONS, 2023b](#)). Hybrid working exercises the minds of influential senior executives (who set HR objectives) and is something that many HR professionals have first-hand experience of, making it easy to relate to.

From manufacturing and logistics to retail and social care roles, millions of workers require access to specific resources or service recipients at specific settings or locations. Often, these employees, including those at the 'frontline' of the pandemic, have not seen their working conditions improve. Coupled with cost-of-living pressures, this has left millions of workers feeling that they are being treated unfairly. Creating parity of opportunity for flexible working for those who cannot work remotely is now an HR priority ([McCartney, 2023](#)).

## The latent potential for flexible working

Workers can be reluctant to request flexible working arrangements, with many believing that making a request would have a detrimental impact on their career prospects ([Curtice](#)

[et al, 2019](#)). Those in precarious work will be even less likely to request flexible working arrangements, for fear of jeopardising potential earning opportunities.

Over 80 per cent of the workforce in the knowledge industries work flexibly. However, when it comes to service industries, the picture is different. Less than 65 per cent of retail, healthcare, engineering & manufacturing, training & education and transport & logistics are working flexibly ([Working Families, 2022](#)).

Flexible working can be challenging to apply in these sectors. However, we must remind ourselves that, pre-pandemic, most HR policies insisted that office based workers were at their desk five days a week and 'hybrid working' was just a nebulous concept. Challenges can be overcome.

## The benefits of flexible working

Firstly, it is important to make the case for flexible working. Our literature review for our [Fair flex for all](#) project with Wickes, Sir Robert McAlpine, Guy's & St Thomas' NHS Foundation Trust and Timewise identified significant potential benefits associated with flexible working. These are summarised below.

### Recruitment

Research suggests that employers would benefit from a wider recruitment pool by creating flexible working opportunities. It is estimated, for example, that five million women would be willing to work more if they had access to flexible work ([CPP, 2022](#)).

Evidence from the Warwick Institute for Employment Research shows that jobs advertised flexibly will attract 30 per cent more applicants than those that do not and organisations enacting flexible work are likely to see an increase in staff recruitment and retention ([Lyonette and Baldauf, 2019](#)). However, Timewise's most recent Flexible Job Index report found that, despite the increase in home and hybrid working, only 30 per cent of jobs are advertised as flexible, despite worker demand at around 90 per cent ([Timewise, 2022](#)).

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### Number of jobs advertised as flexible compared with demand



Source: CIPD, 2019a

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## Retention

Evidence suggests that improving work-life balance through flexible working can increase staff retention, leading to major savings. This is particularly important to key sectors experiencing staff shortages, such as nursing staff, where turnover, training and recruitment costs can be high ([Williams et al, 2022](#); [Timewise, 2018](#)). For example, our research suggests a nurse replacement cost (using data from various sources) of £3,250 ([Williams et al, 2022](#)) and nurse resignations due to poor work-life balance increased by 169 per cent between 2011 – 2012 and 2017 – 2018 ([Timewise, 2019](#)).

## Diversity and inclusion

Increasing equality and diversity of workforces is a key outcome of increased recruitment and retention through flexible work. Numerous studies suggest that offering flexible working will increase recruitment of women and other under-represented groups ([Chung and van der Lippe, 2020](#); [CIPD, 2019](#); [Lyonette and Baldauf, 2019](#); [Kalev and Dobbin, 2022](#)). For example, following a decision to set flexible working as a default for all job roles, Zurich doubled the number of male and female applicants and appointed a third more women into senior roles ([Hacohen et al, 2019](#)).

It has been reported that, in the US, 52 per cent of adults from ethnic minorities who quit a job in 2021 cited a lack of flexibility, compared with 38 per cent of their white counterparts ([Kalev and Dobbin, 2022](#)). It has also been highlighted that, as ethnic minorities are more likely to be in lower paid roles, they are more likely to face challenges finding affordable childcare. Flexible policies, such as paid and unpaid leave, can therefore have a positive impact on recruitment and retention among these groups ([Kalev and Dobbin, 2022](#)).

For some, having the opportunity to work flexibly will enable them to work in job roles that they otherwise would not be able to access. The Trade Union Congress (TUC) and CIPD discuss that flexible work can address barriers experienced by groups such as disabled people, people experiencing domestic violence and women going through the menopause, allowing them to stay in employment ([TUC, 2021](#); [CIPD, 2019](#)).

## Health and wellbeing

A total of 150 million workdays were lost in 2021 due to sickness absence ([ONS, 2022b](#)), including 70 million due to mental health ([Mental Health Foundation, 2022](#)).

There is a substantial and growing evidence base on the relation between good flexible work and improved health. Workers who are supported to better balance their lives with the demands of work generally present fewer sickness absence days, decreasing the costs of absenteeism and further increasing productivity. A survey of workers at Together Housing revealed a 46 per cent fall in sickness and absence following a move to flexible working practices ([Golden et al, 2016](#)). Additionally, longitudinal research identified that flexible work could reduce chronic stress ([Chandola et al, 2019](#)).

## Productivity

Research suggests that the 69 per cent of workers feel that they would be more productive if they could work at times that suited them ([Wildgoose, 2019](#)).

Flexible work has been reported to increase an employee's commitment to an organisation, causing them to strive for better outcomes and thus increasing their productivity ([CIPD, 2019](#); [Gascoigne and Kelliher, 2021](#)). Generally, the more flexibility and control that an employee has over what they do, when, where and how much they work, the better the outcomes are for their wellbeing and their levels of engagement at work ([Golden et al, 2016](#)). Through providing flexible working opportunities, therefore, it is thought that employers can encourage workers to be at their most productive. In the US, a pilot at the Gap was reported to increase sales by 7 per cent and labour productivity by 5 per cent ([Williams et al, 2018](#)).

The Covid-19 pandemic prompted increased burnout and lowered productivity ([Chung, 2022](#)). Institute for Employment Studies (IES) has set out a range of cost benefit scenarios to demonstrate that, with just a small impact on measures, such as retention and sickness absence, strong returns on investments made in establishing flexible working arrangements are possible ([Williams et al, 2022](#)).

## Understanding other forms of flexible working

The government defines flexible working as job sharing, working from home, part-time, compressed hours, flexitime, annualised hours, staggered hours and phased retirement ([gov.uk n.d.](#)) However, the successful implementation of flexible working is subject to several contributing factors. For example, shift rostering, a common feature in frontline roles, can make balancing home and work life difficult. Managers commonly vary the hours of workers, sometimes at short notice. This affects many part time workers, undermining their experience of this form of flexible working arrangement ([Golden et al, 2016](#)).

Furthermore, in its broadest sense, flexible working is about adapting the way work is done to make it accessible for all. Our recent work with Restart providers for the [React partnership](#) demonstrated that very simple changes, such as changing a start time to allow people to travel by public transport to their place of work, can make all the difference to potential applicants. Paradoxically, making work accessible may mean making a working pattern more predictable, maybe changing a zero-hour contract to a full time Monday to Friday position. Clearly, not all such flexing is going to be identified as 'flexible working', as it just does not fit with current definitions.

What is clear, however, is that positive relationships between flexible work and a range of benefits are linked to whether flexible working arrangements are employer-led or employee-led. Employer-led flexible work can have negative impacts on performance and productivity if there is a disregard for work-life balance or a lack of autonomy ([Smith and McBride, 2021](#)).

## Fair flex for all project pilots

IES are working with Wickes, Sir Robert McAlpine, Guy's & St Thomas' NHS Foundation Trust and Timewise to assess the impact of flexible working pilots they are undertaking to support frontline and site-based staff. While the results are not yet in, IES are working closely with the participating employers to capture data to show the impact that enhanced flexibility has on staff, including employee wellbeing, productivity and retention.

### Wickes

Research has shown that, in retail, many women work in customer facing roles but are not progressing into managerial positions. A major causal factor for this lack of inclusivity and diversity in managerial roles is thought to be the long hours of work and the difficulty that many women face in balancing this with caring responsibilities.

Wickes has been at the forefront of work to address this issue, piloting a step change in the flexibility they afford managerial staff to change culture and support progression into more accessible senior roles. By supporting a change in how managers undertake their duties, they hope to significantly reduce the overall hours managers work and create opportunities for them to work four days a week, as well as exploiting opportunities for home working. IES are working closely with Wickes and Timewise to demonstrate the impact of this change on employee wellbeing and organisational performance and plan to monitor the demographics of people moving into managerial positions over the months following the pilot.

### Sir Robert McAlpine

Construction site workers often experience less job predictability than many in the wider workforce and working on site can mean long periods away from home. These factors can contribute to a lack of employee diversity and low levels of wellbeing that are a major concern.

Sir Robert McAlpine is undertaking a pilot to explore ways in which they can better support people who want to work more flexibly. By supporting managers to identify and encourage staff to adopt flexible working practices, they are hoping to create a better work life balance and increase diversity for their workforce, while also attracting more people into the sector.

### Guy's and St Thomas' NHS Foundation Trust

As it reels from the impacts of the Covid-19 pandemic and the current cost of living crisis, the NHS is facing huge pressures. With many of its staff citing a lack of work life balance as a major reason for leaving the sector, continuing high vacancy levels and reliance on 'bank' staff, there is an urgent need to increase job autonomy.

Reacting to individual flexible working requests can lead to inequity and create tensions as some individuals receive the flexibility they want, and others do not. Guy's and St

Thomas' NHS Foundation Trust are piloting a proactive approach to team-based rostering to give some nurses more control over, and input into, their working patterns, with a focus on night shifts. It is hoped that, if trialled, these changes to flexible working practices can support improvements to staff wellbeing that will lead to increased staff retention and improved recruitment.

## Create principles not policies

One approach to enabling flexible working is to establish principles, not policies. There are several examples of flexible working principles that have been adopted by sectors with key workers who often cannot work remotely. Drawing from various examples (including those identified by the [CIPD](#), [Equality and Human Rights Commission](#), [NHS](#), [Wates](#) and [Co-op](#)) and the latest evidence, we have set the following challenges to consider:

- Ask recruiting managers to make the case for any vacancies which are going to be advertised as full-time only (including internal promotion opportunities).
- Suggest that all job advertisements state that flexible working is available and give examples of what could work.
- Encourage managers to proactively seek flexible working arrangements for existing, as well as new members of staff.
- Encourage teams to take control of the flexibility that individuals can have, giving due consideration to impacts on the wider organisation and customers.
- Ensure that senior staff role model all forms of flexible working, beyond just hybrid working.
- Measure the success of flexible working arrangements using key indicators agreed with the senior management team eg recruitment, EDI (equality, diversity and inclusion), retention and sickness absence.
- Produce case study examples to tell the human story of how flexible working improves people's lives.
- Ensure arrangements are kept under regular review and adapt as required.

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