



technology, children, schools and families

Future horizons for work-life balance

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Introduction

Work-life balance can be defined from a legislative point of view drawing upon statutes and case law, and from an economic perspective where individuals make trade-offs between the amount of time given over to leisure and work given the market price for their labour. The following definition provides a fairly clear context for the present discussion:

“‘Work-life balance’ is meant to articulate the desire of all individuals – not just those with families or caring responsibilities – to achieve and maintain a ‘balance’ between their paid work and their life outside work, whatever their ‘life’ involves, from childcare and housework to leisure or self-development.”¹

Labour economics have focused on certain aspects of work-life balance, such as the number of hours of work that individuals wish to supply at the going wage and overtime premium, as well as the times of day (or week or year) when they prefer to supply their labour.² The theory also shows that length of day and time of day wage premia develop in the market or through collective bargaining to reflect the degree of the unsocial length or timing of work, with jobs that incorporate more unsocial lengths and times of work being paid higher wages, other things equal. However, the tendency for wages to reflect the unsocial work-life balance of particular jobs – and, thereby, offer some degree of compensation for unsocial work patterns – is not the same as demonstrating that the market offers individuals jobs that offer an optimal work-life balance. Indeed, the theoretical framework highlights the existence of sub-optimal outcomes for individuals when they can only find work where the number of hours is longer or shorter than they would ideally like or where the time of day (or week or year) at which they are required to supply their labour is not entirely suited to their lifestyles.³

¹ Jones, A. (2003) *About Time for Change*. The Work Foundation, in association with Employers for Work-life Balance. London, Work Foundation. p4

² Bosworth, D.L. and Dawkins, P.J. (1981) *Work Patterns: An Economic Analysis*. Aldershot, Gower Press

³ Bosworth, D.L., Dawkins, P.J. and Stromback, T. (1996). *Economics of the Labour Market*. Harlow, Addison Wesley Longman, pp.24-25

The State recognizes that, left to its own devices, the market is unlikely to deliver a work-life balance that is equitable or indeed fair, however that may be defined, across the population. In other words, the social costs for the country as a whole outweigh the aggregate private returns obtained by employers and (some) individuals delivered by the market in the absence of regulation. The balance the State has sought between work and life has changed over time such that the scope of regulation has broadened from a relatively narrow focus on health and safety and protecting women in the workplace to encompass a wider set of issues that has to some extent loosened the constraints upon the choices all individuals may make about the time they want or need to spend working.

Historically, work-life balance has been viewed with respect to either working time defined in weekly, monthly, or annual hours in formal employment, and the extent to which regulation such as that relating to maternity rights allows people to remain attached to the labour market. Increasingly, there is recognition that work is not limited to formal employment because individuals have, for example, caring responsibilities which they choose to take on themselves, for a variety of reasons, rather than purchasing care from the market. These caring responsibilities occur at different points over an individual's life-course, as do a range of other preferences individuals have about the time they want to devote to work. So now work-life balance is being viewed more and more from a lifetime perspective in recognition that the trade-offs individuals may want to make between work and leisure will vary over their life-course. The right for an employee to request reduced working hours from their employer is, in part, acknowledgment of this fact.

Policy makers have been determined to show that work-life balance policy in its current form approaches optimality: employers enjoy both a quantitative and qualitative improvement in the supply of labour available to them because work-life balance affects the individual's productivity at work and helps retain their attachment to the labour market, whereas, in the past, they may have chosen to drop-out; and individuals are better able to balance the various demands made upon their time resulting in a qualitative improvement to their lives. There is no shortage of research literature that purports to show the business and social case for work-life balance and some employers have been almost evangelical in their promotion of it. But work-life balance is a fragile concept insofar as it is predicated upon a strong demand for labour of all types, whereas in fact the demand for certain types of labour is relatively weak, and some employers at least are concerned that it imposes too high a cost upon their activities. Overall, however, work-life balance as a concept is seen as bringing private and social benefits to employers, individuals, and the State.

Keywords: work, economics, employment, home, childcare, lifestyle

The Evolution of Work-life Balance

The history of work-life balance begins in the latter half of the 19th century when reformers successfully campaigned against long factory hours and were able to demonstrate that reductions in working hours had no impact upon levels of output.⁴ During the early part of the 20th century the campaign to reduce working hours continued through a series of pioneering studies that demonstrated the relationship between time spent at work and the level of output was a complex one.⁵ These studies also took account of the importance of motivation and morale, fatigue, concentration, and attention to reveal that there were conditions under which a reduction in working time led to increased production, and there were optimum arrangements for the length of working time and intervals for rest pauses, in particular circumstances.

⁴ Cole, G.D.H (1925) *Robert Owen*.

⁵ Myers, C.S. (1924) *Industrial Psychology in Great Britain*. London, Cape

During the 1960s and 1970s, though the term work-life balance had yet to be coined, a number of factors can be identified that eventually gave rise to the current policy mix. These included:

- health and safety at work;
- international competitiveness;
- equality; and
- the flexible labour market.

During the 1960s the debate was very much about the extent to which paid overtime was “manufactured”⁶, as explained below. The analysis focussed upon informal work group organisation and the joint regulation of working practices, within a framework of collective bargaining. The approach was at the heart of the report of the Royal Commission on Trades Unions and Employers Associations in the late 1960s⁷. The analysis built on the productivity bargaining experiences of the previous decade. Productivity bargaining recognised that groups of manual workers often exercised unilateral informal control over many aspects of their working practices. Case after case revealed that the control included the regulation of working hours where overtime was paid at premium rates. Long overtime hours were often not necessary but “manufactured” to boost earnings. The consequence was a low productivity culture, associated with low hourly rates of pay and long hours of work. The answer was to negotiate new productivity packages, which included major changes in work organisation and working practices – including flexible patterns of work organisation – increasing basic rates of pay and curtailing overtime working.

The 1970s proved to be a turning point brought about by a wide range of factors, such as increased international competition, changes in technology, new forms of organisation, increased female participation, as well as changing and more diverse working-time needs of individuals.⁸ It was during the 1970s that regulation also began to recognise the importance of equality with the introduction of the Equal Pay Act in 1970 and the Sex Discrimination Act in 1975. Since then issues relating to social equity and justice have multiplied and become more prominent and explicit.⁹ It is argued that long working hours among men in the child rearing years have disadvantaged women in two ways: they have made it less possible for men to share in childcare and home building, leaving the onus upon women to carry those responsibilities; they have made it less possible for women to compete for more senior jobs if a major criterion for promotion is commitment to the job, as demonstrated by long hours at work.

During the 1980s the political focus was very much upon liberalising the economy, including the labour market. At the heart of labour market reform was the introduction of more flexible patterns of work – frequently referred to as “atypical forms of employment” (increased temporary/fixed-term employment, etc.). This took place at a time of a major structural shift in the labour market with employment moving from the production to the service sector, which tended to favour female employment at the time. The introduction of more flexible forms of work was an important strand in improving labour supply because it potentially allowed groups of individuals otherwise unable to enter the labour market the opportunity to do so. It was only during the 1990s, especially the latter half of the decade, that Government began to play a more interventionist role to give employees (and potential employees) certain rights with respect to establishing a work-life balance that suited them.

The Current Work-Life Balance

Since 1997, there have been a number of regulatory changes that have been driven by a desire to make the labour market more equitable, efficient and safer given that the

⁶ Whybrew, E. (1968) *Overtime Working in Great Britain*. Research Paper No. 9, Royal Commission on Trades Unions and Employers Associations. London, HMSO.

⁷ Donovan, (1968) *Royal Commission on Trades Unions and Employers Associations*. London, HMSO.

⁸ European Foundation, 2003

⁹ Hogarth, T. et al, 2000.

work-life balance agenda has some of its origins in a desire to improve health and safety. The Working Time Regulations have their origin in the European Union, where successive UK Governments have been amongst their less enthusiastic supporters, reflected in the UK's desire to retain the opt-out.

From a regulatory perspective work-life balance encompasses:

- Maternity rights – all pregnant employees are entitled to 52 weeks of maternity leave regardless of their length of service.ⁱ Mothers are also eligible for Contractual (Company) Maternity Pay, as agreed with their employers, or Statutory Maternity Pay for 39 weeks, plus other potential welfare benefits.ⁱⁱ
- Paternity leave – an entitlement to a father to take a short period of paid leave to look after his baby or support the mother following birth.ⁱⁱⁱ
- Adoptive leave – an eligible employee adopting a child can take time off when the child is placed for adoption for 52 weeks and may be eligible for Statutory Adoption Pay for 39 weeks.^{iv}
- Parents' and carer's right to request flexible working – an employee with a child aged under six, or a disabled child aged under 18, and carers of adults, can request to work flexibly. The employer has a statutory duty to consider the application and refuse it only on the basis of clear business case for doing so.^v
- Time off for dependants in an emergency – this right enables an employee to take the necessary action to deal with an unexpected or sudden problem concerning a dependant and to make any necessary longer term arrangements. Whether the time off is paid or not is at the discretion of the employer.^{vi}

These all relate to the Government's campaign to promote work-life balance and are all concerned with the care of young children or other family commitments in one way or another.

Work-life balance, however, is about balancing time between work and activities outside of work which will include time spent looking after young dependants but many other activities, both frivolous and important, too. In this respect, perhaps the most important statutes are the Working Time Regulations because they establish the maximum number of hours that an individual may work (provided the individual has decided not to opt-out from the regulations).

- Working Time Regulations – a central provision of the regulations is to set a maximum 48-hour working week, averaged over a 17-week period, though other basic rights and protections provided for in the Regulations include a:
 - limit of an average of eight hours work in 24 which night workers can be required to work
 - right for night workers to receive free health assessments
 - right to 11 hours rest a day
 - a right to a day off each week
 - right to an in-work rest break if the working day is longer than six hours at one stretch
 - right to four weeks paid leave a year.

Additionally, from a regulatory perspective if improving work-life balance is seen as reducing the constraints upon individuals' work-leisure choices, then there are other regulations (including proposed regulations) to consider.

“Flexible working” describes the various work patterns adapted to suit the needs of employees, but which may also have important benefits for the employer.^{vii} Common types of flexible working are:

- part-time – working less than the normal hours of full time workers and, while there is no absolute value of hours, a full time worker usually works 35 hours or more a week
- flexi-time – where the employee chooses when to work, bearing in mind there is normally a core period during which the individual must be present
- annualised hours – set the hours that an employee is expected to work over a year – if the employee works more than average hours over some period, this is compensated by lower than average hours at some other time of the year
- compressed hours – involve working the agreed weekly hours normally worked over, say, five days a week, over fewer days (e.g. 36 hours over four days)
- staggered hours – allow different start, break and finish times for different employees in the same workplace
- job sharing – occurs where a job designed for one person is shared between two or more people
- home working – involves carrying out part or all of the work from the employee’s place of residence.

Currently there are plans to extend provisions already in place following the Walsh Review, principally the right to request flexible working for parents of children aged under 16 (currently the age cut off is six, and 18 if the child is disabled).¹⁰

In addition, the Government is currently considering providing employees with the right to request time off to train:

“The right to request time to train would work by giving an established employee a legal right to ask their employer to give them time away from their mainstream duties to undertake relevant training, which their employer would be required to consider seriously.” (DIUS, *Time to Train*, p5)

As with the Right to Request Flexible Working regulation employers will be obliged to give serious consideration to any such request.

The regulations listed above in many respects represent the core of work-life balance once a person is in employment. There are, of course, many other factors which relate to finding work in the first place, lest individuals end up viewing work-life balance from the abject position of being involuntarily out of work. Levels of employment demand, the welfare system, skill levels, and anti-discrimination laws are all related to work-life balance insofar as they affect the individual’s ability to find (any) work, and find work in those sectors of the economy where they are likely to be afforded some form of work-life balance that suits their needs.

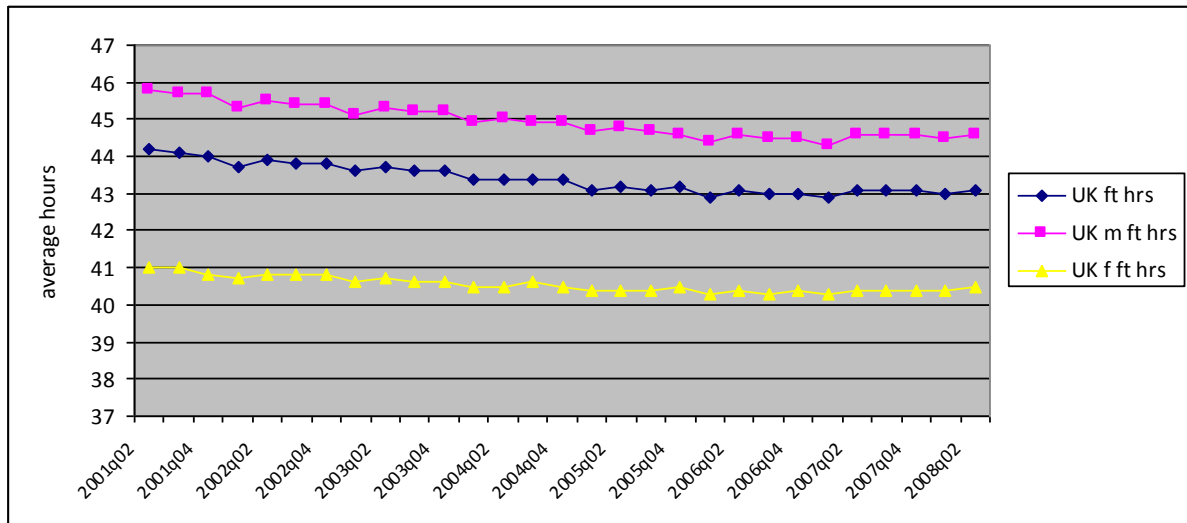
The Incidence of Work-life Balance

Historically, in comparison with the European Union, the UK has been a country with relatively long working hours. Figure 1 shows the trend in total working hours over the last decade, based on Labour Force Survey data, which shows that there has been a gradual reduction in working hours for both men and women, but, for some groups in the labour market, long hours of work remain the norm. It has been estimated that one million people work sustained long hours; that is, over 48 hours a week on average for a 17-week period (the limit specified in the Working Time Regulations). This figure is not limited to senior managers – where the divide between work and non-work activities is

¹⁰ BERR (2008) *Right to Request Flexible Working: A review of how to extent the right to flexible working to the parents of older children*. London, DTI, May 2008

somewhat blurred when, for example, social functions are factored in as time at work – but also includes manual workers.¹¹ The data go on to reveal that the business need for long hours working was manifest in some cases, but there was also evidence that, in some cases, it arose from custom and practice unrelated to the production process.

Figure 1: Trends in Average Total Hours of Work, 2001 - 2008

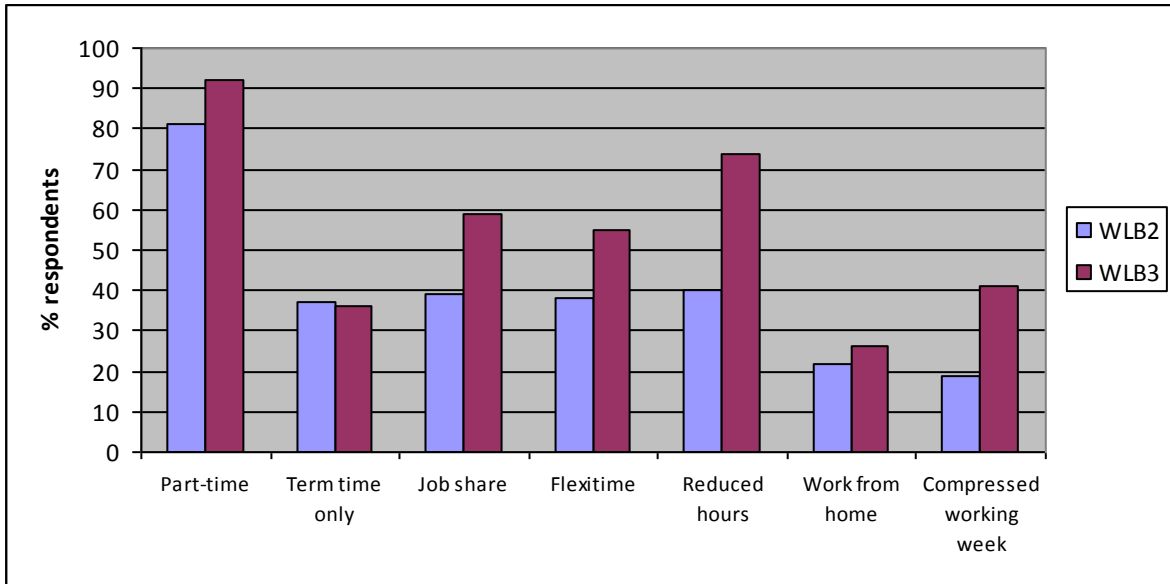


Source: Labour Force Survey / Eurostat

There are often cultural factors that lead to either long hours of work – which by definition is neither a flexible form of working nor one consistent with work-life balance unless the individual freely chooses to work in that manner – which are unrelated to business need. “Presenteeism” is one such factor by which employees demonstrate their value to the business by their almost constant presence which, in turn, has a contagion effect such that other people feel the need to mimic the practice.¹² Employers, however, can and do find innovative alternatives to a dependence upon long hours, although it needs to be borne in mind that changing working time arrangements, particularly where they are linked directly to payment systems, can prove both difficult and protracted.¹³ The Work-Life Balance (WLB) Surveys, conducted in 2000, 2003, and 2007, provide information about the extent to which employers provide flexible forms of working. Figure 2 shows the results from the second and third WLB surveys.

¹¹ Hogarth, T., Daniel, W.W., Dickerson, A. and Campbell, D. *The Business Context to Long Hours Working* Department of Trade and Industry, Employment Research Series Report No.23, DTI, London
¹² Purcell, K., Hogarth, T. and Simm C. (1999) *Whose Flexibility? The Costs and Benefits of Non-Standard Employment Contracts*. York, Joseph Rowntree Foundation
¹³ Hogarth et al. *ibid*

Figure 2: Provision of Flexible Working Time Arrangements by Employers, 2003 and 2007



Source: Work Life Balance Employer Surveys; Hayward *et al.*, 2007

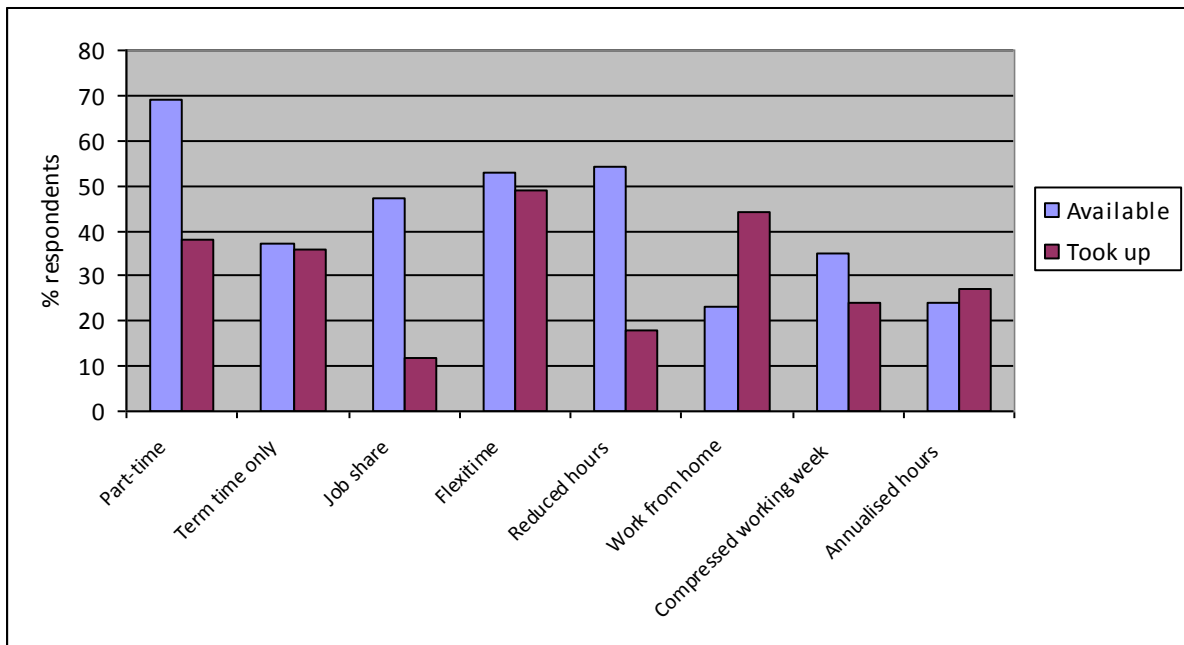
The data show an increase in the provision of flexible working time arrangements by employers, with 84% of employers providing at least two or more flexible working time arrangements in 2007.¹⁴ The incidence of provision increases with the percentage of women in the workplace, and it is larger establishments and those in the public sector that are most likely to report provision. Provision is not the same as take-up, and the evidence points to take-up not increasing at the same pace as provision. Where employers do not provide any flexible working time arrangements – 4% in 2006 – it tends to be because it is not compatible with the business. The WLB3 Employer Survey also reveals that 40% of employers had received a request from an employee to work flexibly and 90% had agreed to that request.

A representative sample of employees can provide a more detailed picture of take-up.¹⁵ Figure 3 shows results from the WLB3 Employee Survey and compares employer provision with actual take-up by employees. Take-up refers to the percentage of staff taking up a flexible working time arrangement where it is provided by an employer. It can be seen that relatively few employers allow working from home on a regular basis, but, where it is provided, a substantial percentage of employees take it up. The data show that some flexible working time practices, such as reduced hours for a short-period or a compressed working week, are taken up by relatively few employees. Overall, 90% of employees said flexible working time arrangements were available to them and 62% reported that they were working flexibly. The percentage of employees that had approached their employer about working flexibly was 17% in 2007, the same as in 2003, and 60% said their request had been fully met and a further 18% said it had been partially met.

Figure 3: Take-up of Flexible Working Time Arrangements by Employees, 2007

¹⁴ Hayward, B., Fong, B. and Thornton, A. (2007) *The Third Work-Life Balance Employer Survey: Main Findings*, Employment Relations Research Series No. 86, BERR, London, December

¹⁵ Hooker, H., Neathey, F., Cassebourne, J. and Munro, M. (2007) *The Third Work-Life Balance Employee Survey: Main Findings*, Employment Relations Research Series No. 58, BERR, London, March



Source: Third Work Life Balance Employee Survey; Hooker *et al.*, 2007

In relation to policies aimed more directly at parents, evidence reveals that 34% of workplaces reported a female employee being pregnant over the past twelve months, with 94% going on to take maternity leave.¹⁶ There are differences between the proportions of workplaces reporting a female employee being pregnant in the public and private sectors, with 56% of the former reporting a pregnancy and 30% in the latter.¹⁷ Why this should be the case is unknown, but there are a number of possibilities: women thinking of becoming pregnant may choose to select the public sector, the public sector may have more job opportunities for women of child bearing age, or pregnant women in the private sector may be more likely to leave employment before becoming pregnant. The EOC investigation into discrimination during pregnancy revealed few differences in incidence between private and public sectors.¹⁸ Employers overall appear to be increasing the provision of childcare support, with 14% providing some form of support or guidance about support in 2007, compared to 4% in 2003.

Developing an Effective Work-life Balance for the Future

There is a wide body of evidence which suggests that work-life balance favours both employers and employees.¹⁹ These relate to overall effects on business performance or assisting particular groups of workers. For instance, an early study demonstrated how the provision of flexible working time arrangements allowed older people, many of whom were of post-retirement age, to re-enter the labour market because they were able to choose when they worked in the light of their other commitments and their ability to work.²⁰ Ultimately the success of work-life balance is dependent upon employers being able to implement the practices so that, at worst, they do not impose an unsustainable

¹⁶ Hayward *et al.*, 2007

¹⁷ Although the data are not directly comparable over time, there is tentative evidence that the percentage of employers reporting a pregnancy has increased in the public sector and decreased in the private sector.

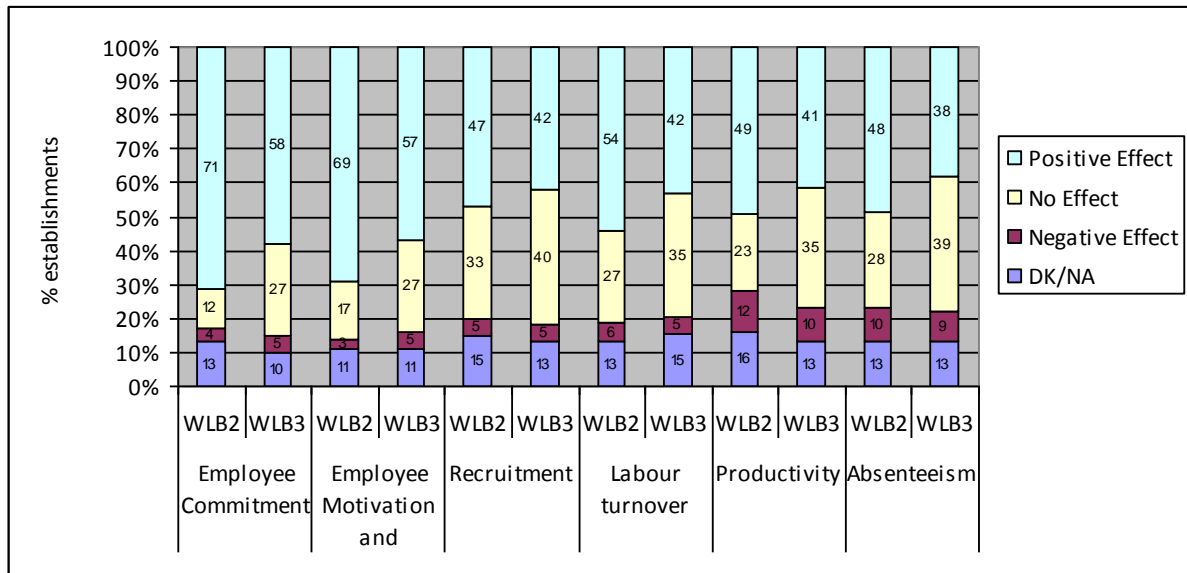
¹⁸ Adams.L., McAndrew, F. and Winterbotham, M. (2005) *Pregnancy Discrimination at Work: A Survey of Women*. Manchester, Equal Opportunities Commission

¹⁹ Eaton, S.C. If you can use them: flexibility policies organisational commitment and perceived performance. *Industrial Relations*, 42 (2), pp.145-167; Dex, S. and F. Schiebl, Flexible and family friendly policies, *Journal of General Management*, 24 (4), pp 22-37

²⁰ Hogarth, T. and Barth, M. (1992) The Costs and Benefits of Hiring Older Workers: The B&Q Case Study. *International Journal of Manpower*, 9 (2)

cost on their businesses. If it were to impose an unsustainable cost, then the likely outcome is some form of regulatory avoidance, such as not recruiting people who may demand some of work-life balance assistance. To date, the evidence about the introduction of flexible working time arrangements and leave entitlements appear to have been largely beneficial to employers, even if the percentage of employers reporting a positive impact appears to be declining over time (see Figure 4).

Figure 4: Perceived Effects of Flexible Working and Leave Arrangements



Source: Work Life Balance Employer Surveys; Hayward *et al.*, 2007 Figure 9.2, p.65

There remains evidence that the take-up of work-life balance is uneven across the economy and that some demand from employees has not been met. Women, for example, are much more likely to take up flexible working time arrangements than men, even though an increasing number of men find themselves in the role of secondary earner in their household. Also, take up is much greater in large establishments and the public sector. In looking to the future the key question is how work-life balance can be extended to a wider group of people and employers.

The Government has responded over time, by increasing the range of people who fall within the scope of existing regulations, such as extending the right to flexible working to carers in 2006, and proposing to further increase the scope of this regulation by making it available to all employees with children aged under 16 years. Regulation is very much family focussed, but there is an intention to broaden the scope to include time off for training such that individuals can pursue, within limitations, their intellectual interests. In other countries, study leave is also available (eg Denmark) and the UK Government is currently considering making this provision available. Improving the take up of education and training seems an essential step towards lifelong learning, reducing inactivity rates and improving productivity amongst older individuals. At the present time, male employees aged 16-17 are nearly three times more likely to receive training than those aged 50-64.²¹

As noted in the introduction, in order for Government to justify intervention, the net social benefits of doing so need to be demonstrated. In the case of family focussed interventions, the argument is made with reference to the burden of family care being disproportionately borne by women. There are two principal social benefits from assisting women – and men – to meet the costs of family care: (i) increasing the current

²¹ Bosworth, D.L. (2008) *An Ageing Population: the Challenges Facing the UK*. Contribution to Skills in England, Learning and Skills Council.

supply of labour; and (ii) ensuring a future supply of labour by reducing any employment barriers to childbearing. There are also issues of equity that form a further aspect of social benefits²²: (i) equality of opportunity – everyone has the same opportunity to use their talents, and society should mitigate the effects of race, gender, inheritance, etc. (ii) equality of process – people in the same situation should be treated in the same way (iii) equality of outcome – everyone should have an equal share of resources produced by an economy.

It is likely that, for the foreseeable future, the work-life balance from a public policy perspective, will be focussed mainly on the family rather than a wider set of issues relating to how individuals want to balance their time between work and the rest of their lives. Aside from a right to time off to train, it is unlikely that work-life balance from a regulatory standpoint in the UK will be expanded much beyond the area Government has mapped out for it since the late 1990s. That said, progress since the late 1990s has been substantial, with a range of issues previously regarded as matters to be decided between employees and their employers now falling within the remit of public policy. The evaluative evidence, insofar as it exists, suggests that the benefits to employers, employees and the State derived from the current set of regulations are sufficiently large that they are unlikely to be repealed or made more limited in scope.

Where there is room for further extension of work-life balance is in relation to the take-up of existing policies. There are several issues of interest here:

- whether there is ignorance amongst employers and employees about the scope for introducing work-life balance – as the Walsh Review suggests – such that it will be possible to further roll-out practices across the economy with the assistance of some form of advice, guidance and information; or
- whether there is a selection issue, where those employers that have taken up work-life balance are those that are capable of doing so (or find it in their own interests to do so) and those that remain face difficulties doing so.

There is an analogy with the high performance work practices literature. Such practices are self-evidently beneficial to the employer and employee that it is puzzling why so many employers have failed to do so. The answer is likely to a mix between ignorance and lack of applicability (the selection issue) but it is not clear about the extent to which either is the case.

This document has been commissioned as part of the UK Department for Children, Schools and Families' Beyond Current Horizons project, led by Futurelab. The views expressed do not represent the policy of any Government or organisation.

ⁱ http://www.direct.gov.uk/en/Parents/Moneyandworkentitlements/Parentalleaveandpay/DG_10029285.

ⁱⁱ http://www.direct.gov.uk/en/Parents/Moneyandworkentitlements/WorkAndFamilies/Pregnancyandmaternityrights/DG_10029290.

ⁱⁱⁱ http://www.direct.gov.uk/en/Parents/Moneyandworkentitlements/Parentalleaveandpay/DG_10029398

^{iv} http://www.direct.gov.uk/en/Parents/Moneyandworkentitlements/WorkAndFamilies/Adoptionrightsinteworkplace/DG_10029406.

^v <http://www.berr.gov.uk/whatwedo/employment/employment-legislation/employment-guidance/page35663.html>.

²² In Rawls' Theory of Justice he suggested that decisions should be made according to the veil of ignorance test. If we did not know, in this case, whether we were a man or woman then would we choose policies that discriminated against women?

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- vi DTI [now BERR], *Time Off for Dependants: A guide for employers and employees*. URN 99/1186. London: Department of Trade and Industry. <http://www.berr.gov.uk/files/file11419.pdf>.
- vii http://www.direct.gov.uk/en/Employment/Employees/WorkingHoursAndTimeOff/DG_10029491.