

communiqué



European Foundation for the Improvement of Living and Working Conditions

Special Foundation
Forum 2004

Time to re-think work-life balance: Second Foundation Forum debates key issues



An Taoiseach, Bertie Ahern, with the Foundation's Acting Director, Willy Buschak, at the opening of the Forum

Finding new ways to approach the work-life balance issue was the one of the central themes of Foundation Forum 2004, which took place on 3 and 4 November 2004 in Dublin.

The aim of the second bi-annual Forum, which brought together high-level practitioners, politicians and experts from different EU Member States and beyond, was to focus on the different facets of the work-life balance issue and to provide a platform for debate and the exchange of experiences.

In his opening speech, Willy Buschak, Acting Director of the Foundation, highlighted the need for re-thinking the way people balance their personal and work lives.

'Our notion of time and how we allocate it between our work and personal lives is being challenged by two main developments,' he said.

'On one hand, globalisation is introducing more diverse and complex working time arrangements and organisational paradigms. At the same time, people want and need greater autonomy and choice of when they work, in order to accommodate the

growing diversity of their lifestyles and family arrangements,' he stressed.

Willy Buschak added that the old notion of time being neatly segmented into work and social activities was becoming increasingly irrelevant for many people. He concluded that a more holistic approach that views time arrangements over the course of an individual's life was required.

'It would seem more appropriate to establish a balance between all the various facets of our lives: our work; our family responsibilities; our leisure interests; and our health and well-being. A good work-life balance will be one that allows us to manage all of these components together, instead of focusing on one or two aspects to the detriment of others.'

Bertie Ahern, An Taoiseach

Also speaking at this year's Forum, An Taoiseach Bertie Ahern moved to dispel some of the misconceptions surrounding the work-life balance debate.

'I am slightly uneasy with the way the current debate seems to imply making a choice between something called

"work" and something called "life",' he said.

'It's also clear that work-life balance is not simply a case of limiting the number of hours spent at work. It is rather one of giving people a degree of autonomy as to how their working time is managed. To do this effectively will require us all – employers, workers, trade unionists and Government – to devise a long-term approach. This should take account of changes in our individual priorities as careers progress and personal circumstances alter,' the Taoiseach highlighted.

In his key-note address Vlado Dimovski, Minister of Labour, Family and Social Affairs from the Republic of Slovenia, focused on the role of 'human capital'.

'Human capital is the key driver of productivity in a modern, knowledge-based society. However human capital isn't just produced in the education system, it is also produced in firms and in families. Unfortunately, a lot of this knowledge remains locked in families, due to the absence of affordable childcare, lack of working time flexibility and other obstacles,' Mr Dimovski said.

'Converting this personal and tacit knowledge into organisational knowledge is one of the big challenges and why reconciling work and family life is so important. Employers should find more creative ways to balance flexibility with security and social protection,' he added.

This is the final issue of Communiqué in its current form. A new monthly version will be published in January 2005. The Foundation's Directorate and staff extend their best wishes to you for the New Year.

Do we need to work longer hours?



Hubert Krieger (Foundation) and Anneke Goudswaard (TNO, the Netherlands) debate a point

The emphasis should be on ‘smarter’ rather than longer working hours, argued Anneke Goudswaard, TNO, the Netherlands. Ms Goudswaard echoed a widely-held belief among workshop members that it’s an employee’s productivity, not the amount of time they work, that matters.

She also highlighted that the goal of the modern workplace should be to improve the individual’s health and quality of life – key ingredients for a successful, productive organisation – and not simply to increase an employee’s ‘mechanical’ productivity through new technologies and other methods. To achieve this, she recommended that companies and employees negotiate work schedules in a way that strikes a balance between the business’s need for flexibility and productivity and employees’ needs to combine work with family life and to stay healthy.

As other participants at the workshop pointed out, productivity also tends to decline significantly when staff work excessively long hours, typically beyond eight hours a day. The risk of accidents and other occupational health problems also increases.

However, as Jan Grönland of the Ministry for Industry, Trade and Employment, Sweden, stressed at the workshop, productivity gains alone won’t be enough to maintain Europe’s welfare systems in the long run. He added that more people, including immigrants, young people,

example, he suggested: basing direct taxation on an individual’s income, rather than on a family’s income; developing more sophisticated parental leave schemes that are equally attractive to both men and women; and providing more affordable childcare.

Potential ways of attracting older employees back into the workforce, he added, could include a stronger emphasis on life-long learning, supported by adult vocational training, and ensuring that any income earned by staff after a pensionable age is taken into account in any final salary pension arrangement. To encourage immigrants into the market, Mr Grönland recommended that there should also be a larger number of trainee positions, anti-discrimination campaigns, as well as induction courses for foreign-born employees.

‘We should be working ‘smarter’, not longer. The emphasis should be on higher productivity, underpinned by improved health and a better work-life balance for staff – key ingredients for a successful, productive organisation!’
Anneke Goudswaard

the elderly and those on long-term sick-leave, needed to be encouraged to join the labour force. Referring to Sweden’s experience, where the Government has enticed 69% of older people back into employment, compared to the EU average of 40%, he proposed a number of ways to do this.

To encourage more women to take up full-time employment, for

- Workshop 1 key issues**
- Productivity tends to decline significantly when staff work excessively long hours, typically beyond eight hours a day.
 - In Sweden, the Government has enticed 69% of older people into employment, compared to the EU average of 40%.

Time and flexibility



Families are struggling to cope with the conflicting demands of policies, designed to enable Member States to hit the targets outlined in the Lisbon Strategy. One of the core problems, members of the workshop concluded, is that policymakers want more women to enter the labour market, while at the same time they expect them to have more children, to stem Europe's population decline.

Theoretically, it was outlined in the workshop, it should be possible to reconcile these two ostensibly conflicting goals with measures such as parental leave and flexible working arrangements that enable both parents to share childcare and household responsibilities. The reality, however, is that men are not always willing to take part in childcare and household duties. Very few men take parental leave, for example, and an equally small proportion share in the housework: according to the Foundation's

European Quality of Life Survey, only 12% of men do an hour or more of housework each day, compared to 63% of women.

'Flexible working arrangements can help parents juggle the demands of working and looking after a young family, but unless they are taken up by fathers as well, they reinforce the traditional gender stereotype of the mother as the "homemaker".'

'The absence of suitable solutions to this problem, coupled with the paucity of affordable childcare, is likely to exacerbate Europe's population difficulties,' another participant commented.

'Women will continue to reduce their fertility to avoid children interfering

with their employment, unless the State provides affordable, good quality alternatives to family care, and ensures that leave and working arrangements do not disadvantage women with young children,' they added.

The workshop concluded that the diversity of the EU does not allow for a one-size-fits-all solution. Account has to be taken, for example, of the historical legacy of welfare regimes in different countries.

Overall, members of the workshop agreed, Member States need to take a more holistic and coordinated approach to policy development, where the voices of families are listened to, and where their changing situations and needs are recognised.

Workshop 2 key issues

- According to the Foundation's Survey on Working and Living Conditions, only 12% of men do an hour or more of housework each day, compared to 63% of women.

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European Foundation for the Improvement of Living and Working Conditions

Focusing firmly on the year ahead

The Foundation enjoys an increasingly good reputation with its stakeholders and target audiences, as a provider of quality and reliable research and information. In 2005, as Europe prepares to carry out a mid-term review of its progress towards the Lisbon objectives, this reputation will put the Foundation at the centre of the political debate, with its current and upcoming research – on quality of work and life, the ageing workforce and management of change – as outlined in its 2005 work programme.

At the launch of the 2005 work programme, Willy Buschak, the Foundation's Acting Director, said that efforts during the past four years were beginning to pay off. He added that because of the Foundation's reputation as a provider of quality research and information, people now turn to them to hear what they have to say.

'Equally important, the Foundation has gained a solid standing with the budgetary authorities – both the Court of Auditors and our internal auditing services – for making good and proper use of our financial resources,' he added.

Within the framework of its 2005-2008 work programme, the Foundation's 2005 plan defines the priorities for the year ahead. This programme is structured around the three main tasks of the Foundation.

Monitoring and understanding change

In the past four years, monitoring instruments have been put in place

for all four core areas of Foundation research: living conditions, working conditions, industrial relations and managing change. The challenge for the coming four-year period, 2005-2008, will be to extend all of these monitoring activities to all 25 EU Member States.

Highlights for 2005:

- Company survey on working time
- Ageing workforce
- Management of change
- Quality of work
- Quality of life

In particular, creating synergy between the Foundation's methods (such as surveys and network reporting), its activities (seminars and publishing) and its products (new reports, thematic analysis) will be essential in optimising output and resources in 2005.

Comparative analysis will become a primary output. The *European Industrial Relations Observatory (EIRO)* will, for example, continue to strengthen its analytical capacity, highlighting key issues on the policy agenda.

Exploring what works

There is a noticeable balance in the 2005 work programme, between

projects with a new theme and projects that propose to build on the knowledge base that already exists in a particular area.

Research in 2005 will cover the following topics: employment initiatives; entrepreneurship; flexibility and the inter-relationship between living and working conditions; collective bargaining; migration and labour market mobility; sustainable care services; and workplace development.

Communicating and sharing ideas and experiences

In the year ahead, a number of new information and communication initiatives aim to facilitate access to Foundation research, both for target audiences and the general public. A new-look Foundation website, which is planned to be operational towards the end of spring 2005, will allow for theme-based access to all research findings.

Tailored information will also be made increasingly available, via e-letters and the revamped monthly version of the Foundation's newsletter, *Communiqué*. Lastly, a new customer relations management system will be introduced, which aims to shorten response-times to the growing number of information requests.

The Foundation's work programme for 2005 is available at:
www.eurofound.eu.int/publications/EF04135.htm

Foundation forges closer ties with the EP



Vladimír Špidla, European Social Affairs Commissioner, with Foundation Acting Director, Willy Buschak

A unique exhibition, outlining Foundation research and information in a number of key areas – building social cohesion, work-life balance,

ageing and work, restructuring and managing change, industrial relations, and gender issues – was held at the European Parliament in

Brussels, during the first week in December.

To coincide with the exhibition, a number of special presentations took place gathering the 25 social affairs attachés, at the permanent representation offices of all the EU Member States. A series of briefings with MEPs working in the social affairs arena was also held. The week-long show, which provided a platform for the Foundation at the centre of EU affairs in Brussels, also offered an ideal opportunity to introduce the Foundation to the new EU Commissioner for Social Affairs, Vladimír Špidla.

Disability and social exclusion: Reversing the trend

The number of people claiming long-term disability payments is rising in many EU Member States and exceeds 10% of the labour force in some countries. The workplace is one of the key areas that needs to be addressed, in helping to reverse this trend, argues the Foundation in its recent report – *Employment and disability: Back to work strategies*.

In many EU Member States, the number of people in receipt of disability benefits, or who leave work

permanently for health reasons, is higher than the number of people who are outside employment for other reasons. Research shows that most people who leave work due to illness or disability have acquired this problem during their working lives.

Despite growing concerns at EU and national levels, knowledge is still limited in many countries about the types and effectiveness of measures, which could encourage people with a chronic illness or disability to remain in employment.

‘The main aims of our research on employment and disability are to bridge the existing knowledge gap and to promote debate,’ highlights Willy Buschak, the Foundation’s Acting Director.

‘It proposes a new model for understanding the problem, and it offers a solution with a comprehensive approach, which involves the worker, family, employer, doctor, occupational and HR staff.’

The full report is available at:
www.eurofound.eu.int/publications/EF04115.htm

Europe ‘not losing jobs’ due to outsourcing of ICT services

Europe is ‘not losing jobs’ in the information and communication technologies (ICT) services sector due to outsourcing, according to the Foundation’s European Monitoring Centre on Change (EMCC), in a new report – *Outsourcing of ICT and related services in the EU*.

The report also indicates that the strongest growth has, in fact, taken place in countries where employment levels in the ICT sector are at their lowest. In other words, although the new Member States are behind the rest of Europe in the proportion of their economies devoted to ICT

services, they are quickly catching up. Surprisingly, the report outlined, the lowest growth rates are, largely, in the most developed economies.

The full report is available at:
www.eurofound.eu.int/publications/EF04137.htm

Investing in work-life balance – a win-win situation?



Employees, employers and society as a whole can benefit from greater flexibility in working hours, this workshop concluded. Higher productivity and increased job satisfaction, for example, are two of the advantages of increased flexibility, the workshop participants agreed.

According to evidence presented at the meeting, companies save up to €16 for every euro they invest in flexitime, parental leave schemes and other employee assistance programmes. Further research, outlined at the workshop, revealed that such initiatives not only increased productivity and staff retention rates, but also led to lower levels of absenteeism and work-related illnesses. In the UK alone, for example, stress-related sick leave is estimated to cost businesses over £7 million a week.

It was also outlined how several major corporations have already generated significant savings by giving staff greater freedom to decide when they work. In the UK, for example, British Telecom reports that its ‘flexi-work’ philosophy has

encouraged 98% of women to return to work after maternity leave, thus reducing its recruitment and induction costs by £3 million a year.

In addition to the benefits to employers, greater flexibility in working hours can also benefit employees, the workshop concluded.

‘The high-performing organisations of the future will be those that are flexible enough to meet the demands of a competitive global market while accommodating the needs of a changing workforce.’

Studies indicate that it leads to higher job satisfaction, greater opportunities for staff to develop their professional skills and careers, and less stress and ‘burn-out’.

‘The high-performing organisations of the future will be those that are flexible enough to meet the demands of a competitive global market while accommodating the needs of a

changing workforce,’ commented one of the workshop participants.

However, it was pointed out that the need for a more enlightened approach was still largely unmet. According to a recent study by the Irish Forum on the Workplace of the Future, nearly one-in-five staff return home too exhausted to do anything else.

‘You have to wonder how effective these individuals are at work the next day,’ observed one workshop participant.

One of the difficulties, the workshop noted, is that SMEs, which constitute the bulk of businesses in Europe, are usually reluctant to introduce ‘work-life-balance’ schemes as these types of initiatives are perceived to be too costly and complicated to implement in small businesses.

However, as one participant commented:

‘There are lots of ways to increase flexibility; you don’t always need sophisticated solutions. Simply allowing a parent to arrive 10 minutes late for work, for example, could encourage that member of staff to stay with the business. Think “smart and simple”.’

Workshop 3 key issues

- 18% of employees return home from work too exhausted to do anything else.
- Stress-related illnesses cost UK businesses over £7 million a year in lost productivity and other expenses.
- Staff who can no longer cope and leave companies cost businesses millions of pounds a year. Typically it costs 50-100% of an employee’s annual salary to replace them.
- Research has shown that companies that implement ‘work-life-balance’ schemes save €16 for every euro invested. In the UK, Xerox claims to have saved £1million over the last five years by introducing flexible working time and parental leave initiatives.

Work and care - payback for the elderly or investment in a new generation?



The debate about work and care has traditionally focused on the provision of childcare. However, as the members of this workshop agreed, care of the elderly is an equally, if not more important issue, particularly in view of Europe's ageing population.

The scale of the challenge of caring for the elderly, including the human and financial costs, was underlined by research presented at the meeting. In the US, for example, where approximately 34 million people are involved in looking after individuals over the age of 55, either on a part- or full-time basis, studies have found that companies lose up to \$30 billion a year, due to employees taking time off to care for the elderly, sick and disabled.

The huge cost to individual carers, in terms of lost wages and time, was also highlighted at the workshop: in some cases it can be as high as \$659,000 over the course of the person's 'career' as a carer. Nearly 25% of carers also claim that the pressure of looking after an ill or elderly family member or friend has a

detrimental impact on their health. In addition, the workshop highlighted the fact that many carers are forced to make significant adjustments to how they work, in order to fit in their second 'career' as a carer: 57% of those who have full-time jobs have to arrive at work late or leave early; while 17% have to take time off; and 10% have to switch from full- to part-time employment.

Surprisingly, as participants of the workshop heard, 40% of carers in the US are men, although they tend to be involved in less intimate types of caring than their female counterparts, such as driving elderly relatives to appointments and managing their financial affairs.

Although there isn't yet comparable data for Europe, there was a general consensus within the workshop that Europeans favoured home-based care solutions, underpinned by high-quality social services, rather than paying for services. To achieve this, the workshop recommended better coordination between health, employment and social security services, as well as housing policies

that enabled the elderly to stay at home, rather than in institutions.

Encouraging immigrant carers was also considered but discounted, on the basis that the elderly usually prefer family members to provide care and that it would only create 'care vacuums' in the immigrants' home countries.

Workshop 4 key issues

- US companies lose up to \$30 billion a year due to employees taking time off to care for the elderly, sick and disabled.
- The cost to the carers, in terms of lost wages and time, can be as high as \$659,000 over the course of their career as a carer.
- 60% of care givers work and two-thirds of these have to change how they work in order to look after the elderly and infirm, including switching from full- to part-time employment.
- The typical US 'care giver' is a 46 year-old baby boomer who works and looks after her mother. However, 40% of the 34 million people caring for older people in the US are male.
- In Europe, Denmark leads the way in home care for the elderly: 22% of people over the age of 65 receive home care, compared to 18% in Sweden and 1-2% in Spain and Greece.

Keynote round-up

Three keynote speakers helped to put the Forum in context, sketching out some of the main issues that need to be addressed.

Vlado Dimovski, Minister of Labour, Family and Social Affairs, Republic of Slovenia

‘Human capital is the key driver of productivity in a modern, knowledge-based society. However human capital isn’t just produced in the education system, it is also produced in firms and in families. Unfortunately, a lot of this knowledge remains locked in families due to the absence of affordable childcare, lack of working time flexibility and other obstacles.

‘Converting this personal and tacit knowledge into organisational knowledge is one of the big challenges and why reconciling work and family life is so important. Employers should find more creative ways to balance flexibility with security and social protection.’

Bernhard Jansen, Director, DG Employment and Social Affairs, European Commission

‘For many people the working day doesn’t finish when they get home from their paid employment: they start a second working day, including housework, educating their children and caring for dependent relatives and the elderly. When formulating strategies, this additional time has to be taken into account, as does the fact that this double workload is rarely distributed equitably between men and women.’

Micheál Martin, Minister for Enterprise, Trade and Employment, Ireland

‘The fight against unemployment is universally seen as one of the most important ways to improve economic and social conditions for families. Member States that have achieved high overall employment rates have in common policies that take into account the need to reconcile work and family responsibilities.

‘We also need to keep an eye on the quality of work. Research (in Europe) has found that a good job is considered the most important factor in ensuring a good life.’

An economy or a society: where do we live and work?



Margit Wallstén, Director of STRATEMA, with Jeannine Rupp, Director of Personal and Professional Life Integration, and Lord Bill Brett, ILO.

A number of interesting questions were raised on the second day of the Foundation Forum, in a discussion chaired by journalist and broadcaster John Bowman.

Director of the ILO London office, Lord Brett, acknowledged the difficulties of balancing career and family life, citing his own personal experience; however he also asked the question whether politicians and others participating in the work-life debate were being realistic enough about the issue.

‘This is a privileged discussion in a privileged part of the world by privileged people,’ he said.

Also taking part in the discussion was Director of an American law firm,

Jeannine Rupp, who questioned the policy-oriented nature of many of the discussions, adding that ‘although policies provide a wonderful framework, they won’t be implemented, unless society supports the notion that there should be a sensible work-life balance, at both a societal and organisational level.’

Supporting her point, Lord Brett said that one of the most practical things that governments can do to improve life-balance is to provide affordable childcare.

He also exhorted the audience to escape the mindset that says people have one employer or type of job for most of their lives.

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