BRIDGING THE WORK AND FAMILY DIVIDE:
Understanding the benefits of family friendly workplaces

The future of work is family friendly

A JOINT INITIATIVE OF

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Clinical A/Prof Michelle Jack
Head of Research, Impact Institute; Academic, Faculty of Medicine University of Sydney
Michelle Jack is an experienced leader and practitioner in the healthcare, research and higher education sectors and leads social impact research projects for national and international organisations.

David Jack
Co-CEO, Executive Chair Impact Institute
David Jack advises organisations on how to be impact-driven, from his extensive executive leadership experience in the community development, disability, health and international development sectors, and as an executive and Board advisor and coach.

This paper has been produced in partnership with UNICEF Australia and Parents At Work and our Impact Framework research partner, Impact Institute.

Lead authors for Impact Institute are Clinical A/Prof Michelle Jack and David Jack.

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Foreword

The unprecedented pressures caused by the pandemic have seen many families, particularly women who continue to shoulder most paid and unpaid caring duties, struggle to manage the competing priorities of caring for children and other loved ones, home schooling, the cost of living and remaining in the workforce.

The evidence shows that this pressure was being felt even before the pandemic – in 2019 one in four parents had considered or actively intended leaving their job in the next 12 months due to difficulties combining their job with caring and 62% of working parents reported difficulties looking after their own mental and physical health as they attempt to manage competing work and family responsibilities.

One of the ways we can help employees manage competing pressures is by making workplaces more responsive to the needs of families, thereby relieving the pressure on caregivers, promoting women’s economic participation and giving men more opportunities to participate in family life.

According to the World Health Organisation, an enabling environment of policies is essential in achieving this thus Governments must play their part, however the best outcomes will be achieved when this responsibility is shared with employers as well as caregivers themselves.

Australia underperforms on work-life balance indicators, paid parental leave and affordable childcare when compared with the majority of other OECD countries. UNICEF is calling on all nations and organisations globally to invest in family-friendly policies and is urging government and the business community to take more action. These policies play a vital role in meeting the needs of employees to enable them to thrive at work and at home, increasing women’s workforce participation and ultimately supporting children’s developmental needs in a positive way.

Since launching the National Work + Family Standards in May 2021, we have been encouraged to see employers across a wide range of industry sectors and size including government agencies, stepping up their efforts to adopt more family inclusive work practices. These practices help to reduce the stress and tension felt by employees when combining work and life responsibilities, particularly when caring for others.

285,000 Australians are now employed by organisations who have been certified as Family Inclusive Workplaces and have action plans to drive continual improvement. With the right investment, our research and the experiences of our early adopter employers is beginning to demonstrate how making workplaces more responsive and resilient to the needs of families can deliver a substantial scale of return.

We thank our founding and sponsoring organisations, industry and community partners for their support in launching this initiative and commend their leadership and commitment to improving their own family workplace policies and practices.

We welcome the support announced by the Australian Government through the 2022-2023 Women’s Budget Statement to further strengthen and expand this initiative. We look forward to continued cooperation between Governments, the business community, our community and industry partners to reduce stress and improve outcomes for working families.
This paper considers the rapidly evolving world of work accelerated by COVID-19 and the shifting expectations of Australian employees. It presents the findings of the first comprehensive Australian literature review of the impact of family friendly workplace policies and practices and the role they are playing in this shifting context.

Alongside the findings from our research team, the report also presents key trends and insights that are emerging from the experience of the first group of Australian employers, Government agencies and not-for-profits who have participated in the Family Friendly Workplaces program in its inaugural year; and provides a framework for deeper assessment of impact over time.

The research that informs this summary was conducted by Impact Institute between May 2021 to May 2022 and informed by academic researchers at the University of Sydney Business School and senior human resources professionals.

The primary research question was formulated using an adapted PICO (population, intervention, comparator, outcome) framework.

“A what are the outcomes for organisations, employees and employee’s families, including children, when family friendly workplace policies and practices are present, promoted and practiced?”

A systematic search of peer-reviewed academic literature and other sources was conducted, using a carefully developed search for keywords relating to family friendly workplace practices with particular focus on outcomes and impacts for organisations, employees and employees’ families, including children. More than 5000 publications were identified from academic databases with data from 156 of the most relevant peer-reviewed articles informing this study.

In addition, interviews with Australian corporate leaders were conducted between March and April 2022 including the Commonwealth Bank of Australia, Deloitte, KPMG, Novartis Pharmaceuticals, QBE Insurance and Randstad RiseSmart.
2. State of Work and Family

A macroeconomic trend is occurring that shows no signs of abating. Workplaces are undergoing seismic shifts that are not tied to a single organisation or industry. Employers who resist the change are exposed to a drain in skilled talent and a disengaged workforce.

The world of work is evolving at pace

Australian organisations are experiencing the greatest workforce change in several generations. A confluence of emerging collaboration technology, industry transformation and pandemic-driven change has ushered in a new era for the workplace.

Forced lockdowns during the COVID-19 pandemic, resulted in a dramatic and sudden increase in the numbers of Australian workers working from home with associated additional caring responsibilities.

The pandemic has also changed the way families care for their children. As a result of COVID-19 restrictions, 43 per cent of Australians caring for children reportedly spent more time on childcare activities. Australia’s Workplace Gender Equality Agency (WGEA) reports a significant increase in organisations offering both formal and informal flexible work arrangements as result of the pandemic.

65% of respondents said that both women and men were more likely to be approved for formal flexible working arrangements than before the pandemic. The sudden shift to remote working has blurred the lines between work and home and resulted in significant challenges for organisations, employees, and their families. The most recent report from the Work & Family Policy Roundtable highlights the broader disruption of work, care, and family life in Australia as a result of the pandemic.

Fire and flood crises have also had a significant impact on Australian workers and care systems. As a consequence of unprecedented global and local change, work-life integration and employee health and wellbeing have been brought into sharp focus for Australia’s corporate leaders.
State of play for Australian employees pre-pandemic to present day

In July 2019, over 6,300 Australian parents and carers were asked about the impact of managing work and caring responsibilities to better understand their future work needs. The key findings included:

- Tensions between work and caring responsibilities are impacting families’ ability to participate fully in the workforce, particularly women who carry the caring load

- Employees reported that they are fatigued and overwhelmed – in particular, the toll on mental and physical health of parents, carers and children was significantly impacted

- Need for more flexibility and support for workers with caring responsibilities – almost half of those surveyed reported that a worker’s commitment to their job was questioned if they used family friendly work arrangements

- Pregnancy and caring related discrimination and stigma persist for employees of all genders

- People want to work for organisations that recognise and support their family responsibilities and wellbeing needs

The impact of COVID-19 on the mental health and wellbeing of Australians of all ages has been significant. In a four-week period in September 2021, Lifeline had several historical record high daily call volumes with a 33% increase in calls compared to the same four-week period in 2019. Kids Helpline had a 16.7% increase in calls and Beyond Blue had a 20.9% increase compared to the same period in 2019. $11.0 billion was spent on mental health in 2019-20.

Changing global and Australian labour force participation

Macroeconomic and societal factors are important drivers of the rapidly changing Australian labour market. The pre-pandemic global decline in unemployment, driven predominantly by high-income countries, was reflected in employment participation rates in Australia. From the 1970’s to the present day, the proportion of Australian workers aged 15 to 65 years that are employed increased from 65% to 75%, with historic high levels of female workforce participation.

In February 2022, 113,600 Australians who both want to work and are available to work, reported to the ABS that they couldn’t because of childcare responsibilities. Over 100,000, or ~93% were women. Nearly 51,000 Australians weren’t able to work because of family caring responsibilities; caring for ill or elderly family members. Of these 75% were women.

The National Skills Commission 2020 employment projections indicate that sectors where participation rates are very high for women – including accommodation and food services, and healthcare and social assistance – are set to grow by more than 14% during the five years to November 2025 (Figure 1).

Government policies and practices designed to increase workforce participation of women include the Australian national parental leave pay scheme introduced in 2011 which provides 18 weeks of paid parental leave for the primary carer of a newborn, or newly adopted child if they meet the income and work tests. In 2013 an additional two weeks of “dad and partner pay” was introduced with further changes being proposed in the 2022-23 Women’s Budget Statement, that seeks to create increased flexibility for parents to share the leave. Issues with availability, duration and flexibility of parental leave, have been highlighted by the Australian Work + Family Policy Roundtable Federal Election Benchmarks 2022 report.

Affordable and quality childcare accessibility is also a limiting factor for Australian parents, despite policy changes and government subsidies.

UNICEF reports that Australian parents pay some of the highest childcare fees in the world and access to quality childcare services for families residing in many regional, rural or low socio-economic areas is scarce.
Carers and older workers need support

In line with the general aging of the Australian population, the proportion of workers aged over 55 years has more than doubled from 9 per cent in 1991, to 19 per cent in 2021, driven in part by more women re-entering work during mid-life and workers delaying retirement\(^1\). This global trend has resulted in an increasing demand for workers to care for elderly parents\(^2\).

The opportunity costs of informal eldercare are very high for organisations and broader society with estimates of $522 billion in the US alone\(^3\). Unsurprisingly, the burden of unpaid caregiving takes a toll on care-giving employees with negative effects detected on mental health, sleep, stress, productivity, and mood at work as well as increased absenteeism, presenteeism and exits from the workforce\(^4\).

Women account for 57 to 81 per cent of eldercare providers and are more likely than ever to be simultaneously employed\(^5\).

This macrotrend requires workplaces to adapt policies and practices to support elder carers, which will increase workplace diversity and inclusion and improve the health and wellbeing of care-giving employees.

The proportion of workers aged over 55 years has more than doubled from 9% in 1991 to 19% in 2021\(^6\).
Employee expectations are changing

A Workplace Gender Equality Agency (WGEA) study from 2020 found that 92 per cent of Australian employees wanted to access some form of flexible work arrangement when the pandemic ends. Working from home and spending more time with family and friends were the two most common aspects of life Australians wanted to see continue after COVID-19 and, as of March 2022, 46 per cent of Australians with a job worked from home one or more times a week in the previous four weeks.

The Australian Productivity Commission found that employees working from home enjoyed benefits such as reduced commute time and travel costs and whilst some employers were concerned about the possible negative impact on culture and teamwork, the sudden and widespread switch to remote working “had not materially impacted on employee’s productivity and that productivity could even increase if widespread remote working continued”.

The needs and expectations of men are shifting, with increasing numbers of men wanting to take up carer opportunities within their families. Evidence is mounting for beneficial outcomes when fathers take leave: for organisations, fathers, their partners and their families. Despite this, men still report widespread carer related stigma.

In part, to address stigma, ING became the first bank in Australia in 2019 to introduce a gender equal paid parental leave scheme, removing the labels of primary and secondary carer, providing all parents with access to 14 weeks paid leave. One year after launch the number of men taking more than 2 weeks parental leave has increased with men taking on average 6 weeks paid parental leave. In the last year, more men than women took paid parental leave (59 men/50 women).

Work-life integration leads to competition for talent & increased wage expectations

Unemployment rates and wage growth are low internationally and in Australia. Inflation is rising with increased cost of living pressures. One way to increase wages is to switch jobs. Studies in the US and UK examining employee turnover since the pandemic, found that workers moving to new jobs had higher wage gains than those staying at the same employer. Australian employees are also leaving their jobs in search of higher wages and improved employment conditions.

ESG strategies are sources of talent attraction

Employees of all ages are looking to work for companies that have a positive impact on society, the environment, and the economy. This is increasingly evidenced in the employment choices of Millennials and Gen Zs. Environmental, social and governance (ESG) scores are used to assess company’s sustainability practices. ESG scores vary across regions, with Australia lagging Western Europe in Environmental and Social scores, while globally there has been an improvement in ESG scores in the past decade.

Improving work is seen as an important step to protecting human rights by the United Nations (UN). Many of the 17 UN Sustainable Development Goals (SDGs) are related to workplace practices, including decent work and economic growth (SDG 8), no poverty (SDG 1), good health and wellbeing (SDG 3), gender equality (SDG 5), and reduced inequality more broadly (SDG 10). Strategic alignment of workplace practices with UN SDGs are a cornerstone of environmental, social and governance (ESG) programs within organisations globally.

Young Australians want family friendly work

The desire of Australians under the age of 30 for flexibility has been escalated by the lack of control and uncertainty of the pandemic. Young workers also want more equal sharing of family care and paid work.

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The introduction of Family Friendly Workplaces

Family Friendly Workplaces (FFW) is a joint initiative (launched in May 2021) led by UNICEF Australia and Parents At Work to introduce National Work + Family Standards for all Australian workplaces.

With the support of industry partners, the National Work + Family Standards engage both private and public sector employers to tackle the rising pressures families face trying to combine their work and caring responsibilities.

The FFW initiative aims to address systemic barriers to women’s workforce participation and gender inequality such as access to flexible work, paid parental leave and child and aged care support.

A Family Friendly Workplace culture is defined as one where working families and carers are supported to combine their work and family life commitments.

A Family Friendly Workplace culture positively impacts the quality of work-life for every Australian and contributes to the wider health and wellbeing of our society and economy; increasing productivity and reducing stress, absenteeism and gender inequality.

Over the past twelve months, Australian workplaces have been urged to take action and invest in developing a Family Friendly Workplace culture by reviewing the National Work + Family Standards.
The National Work + Family Standards

National Work + Family Standards provides employers with a benchmark of best practice guidelines that support employees to meet their work, family and wellbeing needs.

The Family Friendly Workplaces recognition pathway certifies employers as a Family Inclusive Workplace.

The National Work + Family Standards are designed to enable employers to identify and close gaps in their policies and practices that hold back progress. Employers who wished to improve their practice did not previously have a consistent set of benchmarks.

The development of the Standards involved consultation with over 40 stakeholders, including government bodies, parenting and caring-related not for profit organisations and Australian and global companies. Family Friendly Workplaces launched the National Work + Family Standards and certification program in Australia in May 2021.

Six core categories make up the National Work + Family Standards, with the first four primarily focused on the policies, practice and promotion that need to be in place and the final two, leadership culture and measurement, underpinning the effectiveness of the primary categories.

Progress so far ...

In the first 12 months, employers across a wide range of industries have responded to the call to be benchmarked with 70 workplaces now officially certified.

National Work + Family Standards

Flexible Work
Embedded support for flexible work practices to enable employees to combine work and family responsibilities

Parental Leave
Embedded support for parental leave transition that is gender and family inclusive

Family Care
Embedded support for employees when caring for their family

Family Wellbeing
Embedded support to promote wellbeing of employees and their families.

Leadership Culture
Leaders of the organisation are enabled to embed a family friendly workplace culture.

Measurement
Enables assessment and amendment of organisational strategy, policies and practices to sustain this workplace culture.
Key Data Insights

The key data insights emerging from the 70 employers that have been through the certification program include:

✔️ Flexibility is a key enabler
  88% of organisations provide their employees with guides and training to embed flexible work practices, and 58% have consistent practices in action across the organisational hierarchy, job types and location.

✔️ Superannuation on parental leave is increasing
  A key factor in the gender bias for superannuation accumulation for women, continues to be the unpaid periods of time women (as primary carers) take to care for children. 47% of paid parental leave (PPL) policies and practices offer superannuation on unpaid periods of parental leave.

✔️ Parental Leave is becoming less gendered and more flexible
  74% of organisations promote gender equal access to PPL and 26% have removed reference to primary and secondary carer labels. 73% of organisations allow employees to take PPL flexibly (e.g. in blocks, part time, 1 day per week). However, 59% of policies and practices only allow PPL to be taken within the first 12 months of the arrival of a child, 38% extend this to 2 years and only 3% extend to 3 years.

✔️ Caring policies need to be clearly communicated
  Only 64% of participating organisations have a formal family care policy or guideline in place.

✔️ More support is needed to meet caring needs
  More than 48% of organisations don’t have any form of childcare or broader care support in place. Less than 25% assist employees with searches or referrals to providers of childcare, disability or aged care services and only 17% provide back-up/emergency care.

✔️ Greater attention is needed to measuring impact
  More than 50% of organisations do not measure outcomes of benefits or know that family friendly benefits pay for themselves – a missed opportunity to determine ROI.¹⁴

Prior to certification 67% did not record, measure or track how many employees are parents/carers or have caring responsibilities.

80% of employers did not have a committed action plan to address employee needs to balance work and caring responsibilities.

As a result of the certification, an endorsed action plan is now in place across all 70 employers.
Demographics of participating FFW organisations

- **9%** have employee base under 100
- **26%** have an employee base between 100 and 500
- **30%** have employee base between 500 - 1500
- **20%** have employee base between 1500 - 5000
- **15%** have employee base over 5000

Participating organisations represent more than 17 industries including public and private sector employees with the largest representations from Banking & Financial Services (15%), Insurance & Superannuation (11%) and Accounting & Professional Services (11%).
Emerging Key Themes

1. Although flexible work has been a strong area of focus for organisations during the pandemic, there is still significant work that needs to be done to ensure the supporting practices are in place so workplaces can continue to support hybrid forms of working into the future and maximise the proven ROI opportunity.

2. Workplace diversity and inclusion and or gender plans are falling short of communicating and executing on a clear strategy to support families and carers in the workplace.

3. Parental leave policy inclusions vary significantly between organisations. Gender neutral paid parental leave policies that enable greater opportunity for both parents to share caring responsibilities are becoming more normalised and employers with gender neutral schemes that have removed primary and secondary labels see a greater take up by men.

4. There is a growing commitment to provide specific support, training and programs designed to help employees and managers with transitioning back to work post parental leave as a key enabler to driving greater wellbeing and gender equity outcomes.

5. Broader carer-related policies and practices are not yet commonplace. There is a growing need for emphasis on ensuring workplaces have carer strategies and support in place to respond to the changing caring circumstances and responsibilities of employees.

With the National Work + Family Standards providing an independent scorecard and benchmark, organisations can measure their own progress and improvement on their journey to being a Family Inclusive Workplace.
Commitment to Action:
What actions are FFW certified organisations taking?

These statistics are derived from an analysis of the Work + Family action plans which have been committed to by FFW certified organisations.

- **68%** of employers are committed to reviewing their flexible work policy and enhancing their organisational practices to support flexible working, including providing employees with access to flexible work guides and training to embed flexible work practices, providing examples of flexible work in action and utilising a hybrid or team-based or agile work allocation approach.

- **55%** of employers are committed to embedding a formalised carer’s policy or extending current policy provisions.

- **37%** are committed to expanding inclusivity of the paid parental leave policy such as removing primary/secondary carer labels and broadening the definition of family types.

- **28%** will expand ways of supporting employees with childcare and other forms of care for employees with caring responsibilities.

- **34%** will implement or update wellbeing policy or practices to be more inclusive of family mental health needs.

- **37%** are committed to extending the organisation’s Domestic and Family Violence (DFV) policy or framework.

- **51%** will do more to educate leaders on the importance of embedding family friendly work practices as part of the organisation’s people and culture diversity and inclusion strategy.

- **51%** are committed to seeking increased feedback from employees regarding family friendly work practices and **40%** are committed to improving how the organisation measures the effectiveness of family friendly work practices and policies.
Certified Family Friendly Workplace Leaders Insights

“We know that close to 40% of the people who work with us have caring responsibilities, and that’s why we are so focused on making work work for families. In March we launched some enhanced measures for parents returning from parental leave, including an additional support payment and relief from performance targets for 12 months. The aim is to relieve some of the pressures on working parents which is critical to driving inclusion and equity. Being a part of Family Friendly Workplaces helps organisations like Deloitte to keep pushing the boundaries and sharing best practice across Australia”

Pip Dexter
Executive Talent and Diversity, Equity and Inclusion
Deloitte Australia

“At Novartis, we understand that one of our greatest strengths is our people and being a family friendly workforce has been absolutely critical to that. As a working father myself for almost 20 years, and someone who still has a young daughter at home, I have seen immense change in both people’s expectations and the standards of workplace flexibility when it comes to supporting families in all their different forms.

At Novartis we talk about ‘our unbossed people’ which is reflected both in the culture of our people and the policies we have in place. These support flexible working, paid parental leave, equal pay and beyond. Because by supporting our people to be there for the moments that matter in their family lives, we are building a more diverse, innovative and happier workplace.”

Richard Tew
Country President and General Manager, Novartis

“By becoming a family friendly accredited workplace we’re making it clear that we welcome and celebrate the different set of circumstances and needs that each parent brings to ING. This creates an environment where parents feel understood and encouraged to find the right balance between work and home, leading to better work and life outcomes. We think our approach is the right one for any modern workplace wanting to encourage happier, healthier and higher performing people – both at work and in their personal lives.”

Melanie Evans
CEO, ING

“Values and families are core to our foundation and success. Relationships with family, friends and communities enrich our lives and strengthen our social bonds. By supporting these relationships, we endeavour to help create a balanced, happy high performing employee. This is why we introduced our Family Bond. This is more than a new benefit for our employees – it’s the embodiment of our company culture and values. Parental leave helps us build diverse teams, which sparks creativity and innovation, and strengthens our business. As you would expect of Volvo, it is gender neutral and applies equally to same sex and adoptive parents. We are proud of our unparalleled Parental Leave policy and it demonstrates it’s all about our values: How our employees define their family is unique – our aim is to inclusively support these choices with an integrated programme of wellbeing, respect, and cohesion, resulting in an engaged and motivated workforce.”

Stephen Connor
Managing Director, Volvo Australia
The Family Friendly Workplaces Impact Framework was developed by Impact Institute in conjunction with the National Work + Family Standards and articulates the value and benefit of being family friendly, to employees, employee families and employers. This evidence-based framework will enable organisations to measure the impact of their FFW policies and practices.

Impact is understood and defined in many ways, but in this context, impact is defined as “the long-term, sustained change experienced by beneficiaries of initiatives and activities designed and delivered in response to identified challenges or problems”[39].

Three key observations illustrate how impact is achieved.

First, establishing a family friendly workplace requires the full implementation and utilisation of family friendly policies and practices.

Second, when employees experience engagement, equity, advancement and work-life integration, their families experience carers who are more accessible and available (as an output) which contributes to improved family cohesion and wellbeing and child development and health (impact).

Third, a fully developed and implemented family friendly workplace delivers positive outcomes for employers, including: improved talent attraction and retention; reduced absenteeism and turnover costs, increased diversity, equity, and inclusion. This in turn, unlocks employer impacts; with improved employee performance, productivity, innovation, and alignment to ESG and Sustainable Development Goals.

Family Friendly Workplaces Impact Framework

Impact framework numbering showcases the relationship between employer, employee and employee family experiences as a result of a family friendly workplace, and the sequence in which outputs, outcomes and impact are achieved for each group.

Employer

1. Certified Family Friendly and/or Building family friendly capability

2. Family Friendly policies produced, published, promoted to employees, practiced by employees and role modelled by leaders

3. Improved: Engagement; equity; advancement; work/life balance Reduced: Work/family tension; turnover intention; intimate partner violence

4. Improved: Home gender balance; quality family time; parental bonding; elder care; carer well-being Reduced: Family conflict

5. Improved: Retention; talent attraction; diversity/inclusion; productivity; employee performance; innovation; alignment to ESG & SDGs Reduced: Absenteeism; turnover; cost

Employee

6. Improved: Performance; progression; loyalty; physical/mental health; well-being; satisfaction (job/life)

Employee family

7. Improved: Family cohesion/well-being; child development/health Reduced: Chronic health issues in children; infant mortality rates

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4. Summary of Research

The research evidence for family friendly workplaces

**Benefits for employers**

**Improved talent attraction, employee retention and turnover**

There is strong evidence that family friendly workplace practices enhance talent attraction and retention and reduce employee turnover, with associated reduced costs to the organisation.

- Almost one in five Australian workers (18%) has considered resigning in the last six months due to lack of flexibility.
- A further seven in 10 employees would take another job if it offered more flexible hours and more than half (50%) would forgo a portion of their pay in exchange for significant flexibility.

The leaders interviewed agreed that enhancing family friendly practices in their workplaces improved talent acquisition and retention.

“In an incredibly competitive world for high-quality talent, these policies and practices are incredibly important from a commercial point of view...” according to Andrew Yates, CEO, KPMG.

A recent analysis of 68 studies and over 50,000 employees found that flexible work arrangements increased organisational attractiveness, commitment and decreased turnover intention.

Following KPMG’s introduction of a shared parental leave policy in mid 2021, their employee engagement survey found that parents scored 12% above the firm average when asked whether they planned to stay with the firm for five or more years.

>50,000 people studied.

Flexible work arrangements increase organisational attractiveness, organisational commitment and decrease turnover intention according to a recent meta-analysis of 68 studies and 52,738 employees.

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Flexible work arrangements increase organisational attractiveness, organisational commitment and decrease turnover intention according to a recent meta-analysis of 68 studies and 52,738 employees.
Employee engagement

Pre-pandemic research shows low employee engagement levels are a significant issue globally. Several recent studies have shown that family friendly workplace initiatives increase employee engagement which is known to be an effective and concise predictor of employee effectiveness⁴³.

85% of employees are not engaged or actively disengaged at work.

The economic consequences of this global “norm” are approximately $7 trillion in lost productivity⁴⁴.

Sub-500 can do better.

Mothers entitled to paid parental leave are about 76% more likely to have worked for an organisation with more than 500 employees⁴⁵.

Improved diversity and inclusion

There are clear research links between family friendly workplace initiatives and gender equity but there is also evidence that they act in synergy with D&I policies and practices to increase all forms of diversity and inclusion within organisations. For example, Diversity Council Australia research⁴⁶ found that many Indigenous Australians cite inflexible work hours and leave arrangements as a major reason they do not stay in employment. Additionally, 73% of older Australian workers would work more hours and stay in the workforce longer if flexible work was available to them⁴⁷. Deloitte’s 2022 Gen Z and Millennial Survey⁴⁸ found that work-life integration and flexibility is among the strongest differentiators of candidate choice.

Innovation and diversity of thought

By creating an environment to support people and make space for them, diversity of thought will lead to innovation. At Novartis there is a desire to create a high performing culture for innovation and having diverse teams is known to lead to better decisions. A large longitudinal Australian study of 1513 SMEs found that provision of flexitime and flexi-leave encouraged innovation through providing the mental space and diversity needed for knowledge creation, sharing and exploitation⁴⁹.

People and purpose alignment

Organisations are increasingly using purpose and values statements to signpost the value they place on their employees. All six leaders interviewed were able to connect their company purpose and values to why they signed up to be recognised as family friendly workplaces. Caring for people, promoting diversity and inclusion are all seen internally, and by shareholders, as core to running a high-performing organisation.

Brand eminence and customer engagement

There is emerging evidence on the impact of family friendly workplace initiatives on brand awareness. One Boston Consulting Group study found paid parental leave improves brand equity and reinforces company values⁵⁰. Family friendly workplace practices signal to customers those organisations are aligned with their values. Pip Dexter, Executive Talent and Diversity, Equity and Inclusion Leader at Deloitte, reported that Deloitte is seeing benefits from shared experiences with clients.

“Connection with clients remains strong as we emerge from COVID-19, and we are ‘walking the walk’ when it comes to the future of work. Demonstrating a strong commitment to a family friendly and inclusive culture is increasingly important to our clients in choosing to work with us.”

Pip Dexter
Executive Talent and Diversity, Equity and Inclusion, Deloitte Australia
QBE Insurance Australia Pacific is already seen as a leader in equal parental leave with its Share the Care parental leave policy launched in 2019, which removed language around primary and secondary carers and provided increased flexibility in how care could be accessed over the first two years of a child’s life. More recently, they’ve provided equal access to this policy for people or partners that have experienced loss, acknowledging its more than a moment in time and recognises grief triggered by anniversaries and anxiety associated with future pregnancies.

Shiona Watson, Chief People Officer, QBE Australia Pacific pointed out that it’s important to help people leaders to understand how they can lean in to the policies and proactively support and encourage their people to access policies now and in the future.

“The impact of Share the Care and extending this to include early pregnancy loss has been strong. In 2019 men represented 8% of carers and we’ve seen that representation remain at over 30% consistently. The positive impact we see is mainstreaming caring and flexibility for men and women to thrive at work and at home. In particular, our people share the emotional and financial wellbeing benefits as a result of having choice in how and when to take their parental leave to suit their unique family needs.”

**Employee health and wellbeing**

Family friendly workplaces improve the physical and mental health and wellbeing of all categories of employees and their families. Increased health of employees has been demonstrated to increase employee job performance which is linked to organisational performance indicators as well as positive outcomes for employees’ families, particularly children.

The volume of research and strength of evidence is most advanced on the positive impact of workplace breastfeeding support on the health and wellbeing of mothers and their children. When women take paid parental leave, beneficial effects include:

- Improved mental health of mothers, including a decrease in postpartum maternal depression and intimate partner violence, and improved infant attachment and child development. Family friendly workplace practices keep women in work which in turn, can increase their ability to escape family violence through enhancing their financial capacity. When this is done well, it can save lives - not only the lives of the adults affected, but also their children and other family members.

- Improved physical health of mothers and children, including a decrease in infant mortality and in mother and infant rehospitalisation, and an increase in attendance at important medical checks for infants and timely administration of infant immunisations, and;

- Increased breastfeeding rates and duration.

Studies also show that when fathers take parental leave, wellbeing increases for both fathers and mothers across the transition to parenthood and there are better outcomes for relationships between parents and between fathers and their children. Fathers’ use of paternity leave has been positively associated with life satisfaction, mediated by an increase in job satisfaction and this in turn leads to increased relationship satisfaction.
Increased work-life integration and reduced work-life tension

There is strong research evidence that when employees of all ages perceive they have control (perceived autonomy) and flexibility of their work, work-life conflict is reduced. High work-life conflict is negatively related to employee health and wellbeing, career development and a number of organisational outcomes. Perceiving the organisation as a ‘Family Friendly Workplace’ and feeling supported by the organisation, leaders and co-workers have all been shown to significantly reduce work-life conflict in well conducted research studies.

Workforce Participation, Gender Equity and Career Advancement

Women’s careers are still disproportionately impacted by having children. One Finnish study found the gender gap in earnings by the mid-30s was already 30%. Family friendly workplace initiatives increase the chances of women returning to work after parental leave; increase female workforce participation; increase women’s leadership opportunities; reduce gender wage gaps; and contribute to improving women’s economic outcomes.

In a global survey of organisation policies and practices, many companies cited gender equity as a driver to implement family friendly policies and practices, even traditionally male-dominated sectors, such as IT and engineering. The ‘motherhood assumption’ that women’s priorities change once they have children and that they become less engaged with work has been shown to be false. Women who work flexibly are just as ambitious as their colleagues and companies with more part-time leaders achieve better gender balance at an executive level.

The Australian Women’s Working Futures Project, the first nationally representative study of women aged 16-40 years, reported that less than a third of women surveyed (31%) thought men and women were treated equally in the workplace compared to 50% of men. The authors highlight a huge shift in career ambitions for Gen Y women and millennials, with women saying they intended to work until they are older than 60, whereas most HR policies have been built around men staying in the workforce long term, but not women.

With increasing support for female employees, more women will stay in work, reducing turnover costs. Increasing numbers will ascend to leadership roles reducing the need for quotas for women on boards and executive teams. This will increase the number of women in senior leadership roles and see fewer women depart the workplace due to lack of family friendly support.
Benefits for employee families

Children’s health and wellbeing

There is strong research evidence for improved health and wellbeing of children when family friendly workplace policies and practices are successfully implemented. The WHO Nurturing Care Framework for Early Childhood Development highlights the vital importance of responsive caregiving\(^6\). Breastfeeding support and paid parental leave both reduce infant mortality rates\(^6\).

Paid parental leave improves educational outcomes\(^6\) and a longitudinal Australian study showed that it particularly improves the health of disadvantaged children\(^6\). Fathers’ parental leave taking, especially of two or more weeks, is positively associated with children’s perceptions of fathers’ involvement, father-child closeness and father-child communication. This is explained at least in part by fathers’ engagement, parental relationships satisfaction and father identities\(^6\).

Emerging evidence linking family friendly workplace to reduced risk of harm from intimate partner violence suggests there will be flow-on benefits for the children of those employees and other family members\(^7\).

A recent study\(^7\) surveyed 1279 children and youth and 64 organisations in separate surveys, and compared responses pre- and post-COVID-19. The research found a significant gap between what employers offer in terms of family friendly workplace practices and the needs of children regarding their parents’ workplaces. There is a research gap and need for organisations to incorporate the voice of employees’ families when considering family friendly workplace practices.

“Early experiences have a profound impact on children’s development. They affect learning, health, behaviour and – ultimately – adult social relationships, wellbeing and earnings. Investing in this period is one of the most efficient and effective ways to help eliminate extreme poverty and inequality, boost shared prosperity, and create the human capital needed for economies to diversify and grow.”

WHO Nurturing Care Framework 2018. p3

Eldercare

The aging population’s demands for eldercare have been increasing in developed countries\(^7\). The opportunity cost of informal eldercare is high with estimates of $522 billion in the US alone\(^7\). Unsurprisingly, the burden of unpaid caregiving takes a toll on care-giving employees with negative effects on mental health, sleep, stress, productivity, and mood at work as well as increased absenteeism, presenteeism and exits from the workforce\(^7\). According to some global estimates, women account for 57 to 81% of eldercare providers and are more likely than ever to be simultaneously employed. For every additional family benefit offered including those related to elder care, employee intentions to quit decrease by 5.9%\(^7\).
Benefits for society

Environmental, social, and governance responsibility and alignment with UN SDGs

Family friendly workplace policies and practices align with many of the UN SDGs and foster better social responsibility by supporting the workforce community. Research on benefits of this alignment is still emerging however, a recent literature review of global paid parental leave policies and practices found that paid parental leave can support improvements across a range of SDG outcomes relevant to women and children's health and wellbeing. Remote work also has proven benefits for the environment, aligning with SDGs 11-13, by easing the need for people to live in large cities, reducing traffic congestion and reducing carbon emissions.

Image credit: UN's Sustainable Development Goals (SDG's)
5. Recommendations

This paper presents key recommendations to guide organisations in the implementation of policies and practices that support employees and their families. They are informed by the academic research, Family Friendly Workplace Impact Framework and the experience of early-adopters of the Family Inclusive Workplace Certification.

1. Employers across all sectors and industries are encouraged to be benchmarked against the National Work + Family Standards to achieve certification.

Employers who have been benchmarked commit to measuring progress in accordance with their Work + Family Action Plan. Core areas employers should invest in to meet their action plan requirements include:

   a. Employee mental health and wellbeing
   b. Making flexible work arrangements a cultural norm
   c. Introducing gender neutral, flexible paid parental leave as well as committing to practices that support employees to return to work, including workplace breastfeeding support
   d. Help facilitate access to affordable childcare and other adult care services to enable workforce participation
   e. Supporting managers to promote team wellbeing and work-life integration and be accountable for overall team wellbeing outcomes.

2. Employers recognise the central role of the employee voice in the successful design, implementation and evaluation of family friendly workplace policies and practices. Employee network groups, forums and focus groups can be utilised to better understand the work-life tension challenges employees of all ages face in the organisation.

3. Employers use the Family Friendly Workplaces Impact Framework, establish measurement plans contextualised to individual organisations to measure the short, medium and long-term outcomes for the key stakeholder groups: employers, employee’s and employee’s families, including children.

4. Leaders champion family friendly workplace practices within their organisations and share insights externally to drive broader engagement and uptake.

5. Governments and the private sector contribute to funding ongoing research; evaluation; and measurement of impact.
6. Conclusion

Employers play an integral role in the success of our society - both from an economic, health and wellbeing point of view. The policies and practices employers embed as well as the family friendly cultures they nurture, have the power to improve work-life balance and consequently feed back into an employee’s family and the broader community.

Accelerated by COVID-19, it is clear the world of work is rapidly evolving and the expectations of employees are shifting with it. Caregivers continue to report high levels of stress and challenges balancing their work and family responsibilities, which negatively affect both wellbeing and workforce participation. Australia has the second highest childcare fees in the world, according to OECD data.77

The independent research conducted to inform this paper demonstrates the clear benefits of setting such standards for employees and employers, with evidence emerging about the significant flow on effects for employees’ families and the broader society.

Measuring the impact of Family Friendly Workplaces practices is still in its infancy with most organisations either not measuring at all, or only measuring outputs like utilisation rates rather than systematically measuring impact for their employees and the organisation. The Family Friendly Workplaces Impact Framework is an important tool, and ongoing investment is needed to support continued research and evaluation.

The early adopters of the Family Friendly Workplaces initiative are committed and positive about the potential long-term benefits. The “Great Reset” offers the ideal opportunity for employers in organisations of all sizes to embrace the value of supporting work-life integration of their employees.

The majority of organisations certified as a Family Inclusive Workplace have thus far proven to be incredibly committed to actioning the standards and are beacons of light for our current and future business leaders.
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The National Work + Family Standards have been developed in line with best practice research with input from strategic partners, diversity and inclusion, family wellbeing and other policy experts. Find out more about the Standards, recognition framework and certification process at www.familyfriendlyworkplaces.com