



## SME Sector

The SME sector has many good examples of family friendly working practices. However, there has often been a misconception that family-friendly working isn't something that SMEs do. In truth, this sector has been in the vanguard of change, and we have chosen three smaller organisations whose stories illustrate the creativity and flexibility which make employment in this sector so attractive to working families.

SMEs are good at flexible working. Although they might hesitate to describe themselves as family friendly when comparing themselves against larger organisations armed with suites of policies, they actually adopt a very flexible approach to the way work is organised and how employees can meet work and 'life' responsibilities.

Larger organisations can learn from their approach, especially when they are thinking about organising work across smaller teams. The SME approach to family friendly working is often deeply embedded within the organisation in a way that is hard to achieve within larger organisations. This is because commitment from the top is never in doubt – work-life balance in an SME often comes from the personal ethos of the business owner or board.

Many SMEs cite two big advantages to adopting family friendly working practices. It allows them to punch above their weight in terms of the employees they are able to recruit and retain; and it also allows them to deliver client and customer services at higher levels. Loop Customer Management, for example, put this at the heart of their rationale for family friendly working: *"We wanted to ensure that Loop staff really did feel part of the new company. Our new slogan was 'We are comfortable with people'. We focus on the quality of service rather than being the cheapest bidder."* Similarly, Eden McCallum have identified better customer service as a driver for family friendly working *"We find that our clients are very clear about what they are looking for. They want to be involved in the design, structure and resourcing of projects. They want to own the project."* This runs counter to the way many of the big consulting firms operate. *"The economics of their operation means that they can't give the same kind of flexibility to their clients."*

In terms of recruitment and retention, some SMEs have a very broad range of family friendly working arrangements. In essence, their approach is 'why not'? If an employee comes to them with a proposal to work a different pattern, then agreeing to it is the default, with joint planning between employee and manager and colleagues about how the practicalities of such an arrangement will work. There may be more freedom within SMEs to try innovative working arrangements because of their size and their lack of formal procedures which govern flexible working arrangements within larger organisations. Consider the experience of Happy: *"We will consider any request to work flexibly and we don't make any judgement on the reasons why. We are creating a great culture and it is 'can do' rather than 'can't'. We don't want an organisation where people are treated differently. We have an ethic of fairness, dignity and respect."*

SMEs are able to make convincing arguments for family friendly working making business sense by observing the relationship between employee wellbeing, performance and customer service and satisfaction. Often flexibility in an SME is not controlled by formal procedure but is intrinsic to the way 'work gets done around here'. The experience of Eden McCallum bears this out: *"We recognise that our independents want to trade off income and other lifestyle factors. We are flexible about this. It is up to each individual to set the constraints."*

What, then, can the SME sector be said to have contributed to family friendly working? Crucially, building a strong business case may come more naturally to an SME than a larger organisation. A smaller gap between top-level management and employees allows the impact of family friendly working to be observable in a way that is harder in a large organisation. Similarly, the size of SMEs allows them to be responsive and flexible, and build this flexibility into their DNA. There may be some hostility towards flexible working from some SME employers when it is suggested that they adopt the practices from much larger organisations. But look beneath the surface at SMEs and you will often find a great deal of family-friendly flexibility.

## Extracts from Exemplar SME Sector Supporting Statements

**Organisation:** Eden McCallum

**Approximate number of employees:** 25 direct; 400 independent consultants

**Sector:** Management Consulting

**Brief description of nature of business:** Eden McCallum is a well-established management consulting firm with an innovative approach to helping clients solve business problems through our pool of 400 independent consultants. Our projects span strategy, change management, operational improvement, and organisation; over 80% of our clients have engaged us on multiple projects.

**Organisation:** Happy Ltd

**Approximate number of employees:** 35

**Sector:** Training

**Brief description of nature of business:** Happy is a training company that believes learning should be fun; it was established to combine technical expertise and excellent training skills with an enjoyable learning environment.

**Organisation:** Loop Customer Management Ltd

**Approximate number of employees:** 600

**Sector:** Contact Centre - utilities

**Brief description of nature of business:** Loop was created in 2,000 as a provider of managed customer services to clients such as Yorkshire Water. We offer a range of services which are delivered via specialised contact centre and billing and income departments.

**1. Why is your organisation a good place for parents to work today? We are looking for evidence (eg, maternity return rate, men working flexibly, extra support for carers, senior level diversity) as well as any programmes or initiatives which mark you out from your competitors.**

### **Eden McCallum**

“Two of the core principles upon which Eden McCallum was founded are ‘control’ and ‘flexibility’ – it is simply in our DNA. For our 200 clients this is delivered by very tailored and flexible project approaches and a focus on their ownership of any project we do. For our 25 permanent staff and 400 independent consultants it is evident in the way they work with us. For these latter two groups, flexibility and control over how and when they work is key.”

### **Happy Ltd**

“Happy is extremely proud of the positive flexible culture we have created, 100% of our people work flexibly. This supports everyone who works here, but in particular it enables our parent employees to balance their family life and working life. We believe that by supporting the 'whole' person we have created a motivated, engaged and loyal staff group. “

### **Loop Customer Management Ltd**

“Loop is a good place for parents to work today as we recognise the importance of maintaining a healthy work-life balance and are committed to providing equal support to all employees. This has been the case since the company was started in 2000. We have a wide range of innovative policies that give us a truly flexible approach and help our employees balance their work and home life. Examples of our policies include adoption leave, grandparents leave, life opportunity leave, parental leave, job sharing, compressed hours, reduced hours, dependents leave (children/elder care), term time working, school hours, flexitime and annualised hours and we have generous maternity and paternity provisions which go way beyond statutory requirements.”

**2. Please describe up to three milestones, changes or initiatives which helped the organisation become the great place for working parents that it is today.**

**Eden McCallum**

“The company was founded on the principles of control and flexibility; this was part of the Eden McCallum DNA from Day One. We have had flexible programmes from the beginning, with four of the original five staff in the firm on flexible programmes, and all of our consultants have always worked independently, with complete control over the work they choose to do. Our independent consultants value the fact that they set their own rules.”

**Happy Ltd**

“The first milestone was over 11 years ago when one of our women staff became pregnant and we introduced lots of ideas around maternity leave and returning to work plus introduced the idea of flexible working for all.

Our second milestone was introduced a couple of years ago when one of our staff needed extra dependency leave and another needed extra carer’s leave, so we introduced 10 paid days of dependency/carers leave after five years of service.

Our third milestone was introduced a couple of years ago when we offered childcare vouchers via salary sacrifice – over three parents have chosen to take up this option.”

**Loop Customer Management Ltd**

“An important factor is that we have a very diverse workforce - half of the staff are part time and included in this we have two job-shares, two home workers, 16 compressed hours/days, 268 reduced hours, 15 term time, 256 on flexitime, 52 school hours, 45 annualised and five on career breaks – all indicative of a great place to work for working parents.

Another important factor is that 75% of the staff are female which is represented through all levels of organisation even at senior level. For example we have four females and two males on the senior management team, three of which balance a senior job with busy childcare arrangements. Working at Loop means they can do this flexibly around their home life. This is important as if we’ve got senior managers on board they appreciate this better when staff request it and they continue to be supportive and drive the flexible working policies which all managers are aware of through their management development programme.

It is also important that flexible working policies are not just aimed at young people within Loop, for example, we offer grandparents leave to enable employees to be with their family when there is a birth. They can take one day’s paid leave and request another four days unpaid.”

**3. What was the driving force behind these initiative(s)? This might have been, for example, a particular business challenge, internal or external; leadership shown by an individual; employee demand for change, etc.**

**Eden McCallum**

“The driving force behind this is a belief that people perform better when they have choice and control.

- Our independent consultants: 68% of our consultants say that their recommendations are implemented more now than when they worked for traditional consulting firms. We think that improved impact is due to many things, including:
  - o Choice over projects: they only do the ones that really interest / excite them
  - o Choice over how they work: they choose projects that suit the other constraints in their lives – often family, but also other interests such as non-executive directorships, writing, sailing around the world. They may choose to work shorter daily hours, fewer days per week, a set number of months per year, or only on projects that don’t require travel.
- Our staff: We believe we attract a higher calibre of employee than is often possible at a smaller firm because of the flexibility we offer. This was invaluable, particularly in our start-up phase, when we were asking people to join a small firm and take a career risk before we had a proven track record.”

**Happy Ltd**

"The driving force behind everything we do at Happy is our people and their welfare - we want happy people who love to come to work and are motivated by the jobs they do and the service they provide. Every initiative we introduce is borne out of our passion to enable and support our people to work here positively.

In a recent survey:

Over 85% of our staff rated Happy as better than any place they have worked before

All our managers are "home-grown". Consequently all of our managers have a complete understanding of our culture and are in complete support of our life balance policies. Life balance is integral to the way we work; it is introduced at recruitment and induction stages, discussed in staff meetings and on the agenda for one-to-one meetings between staff and their managers."

**Loop Customer Management Ltd**

"The driving force behind these initiatives is simple – it makes good business sense, which means we attract a wide range of people and fits with the ethos of Loop's philosophy of 'great place to work.' The external impression of call centres is that it's not a flexible working environment, however to be acknowledged by an external company who survey our workforce – the ST100 – where we have been in the Top 100 companies for five years means we consistently apply working families practices to all and means this is not just an accident.

Due to policies such as these we have increased staff retention, improved customer relations, low absenteeism and improved productivity. Being a family friendly employer helps us to retain talented people when they become parents and show that it is possible to have a successful career and still have time for family life."

**4. How do you think that your initiative(s) or practice, past or current, have influenced other employers?****Eden McCallum**

"Eden McCallum has inspired many other companies to set up a similar approach to flexible working with independent consultants and other professionals (including a-connect, Sapphire Partners, and The Business Talent Group). Harvard Business School (HBS) has written a case on our innovative approach, and at a recent colloquium at HBS, Eden McCallum featured on several panels as one of the ground-breaking firms in this new model of professional services."

**Happy Ltd**

"We don't think they have influenced other employers, we can actually boast they have influenced other employers. We work with companies to help make them create great workplaces."

**Loop Customer Management Ltd**

"Because of the ST100 publicity and a one star rating in the Best Companies accreditation for our employee engagement policies, along with comments such as, 'They might work at call centres but the 618 staff are treated as individuals,' and 'Loop have a wide range of policies that give them a truly flexible approach and help their employees balance work and home life,' other employers are very interested in what we offer our staff."