

# The Hudson Report

Employment and HR Trends

New Zealand | January - June 2007

Part Two | **HR INSIGHTS** | Job sharing: A Fresh Look at Flexible Working

Hudson

*From great people  
to great performance<sup>SM</sup>*

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# Introduction

## Introduction

The Hudson Report, produced by Hudson, is an established and highly reputable publication, based on in-depth, nation-wide research. Released quarterly, the Report uncovers and analyses the hiring expectations of New Zealand employers over the forthcoming quarter, and provides insights into a range of human resource issues currently impacting business and the broader New Zealand economy. While a number of surveys currently address hiring intentions and job vacancies, The Hudson Report fills the gap in market knowledge and data on broader human resource issues and trends relevant to business leaders.

## Methodology

The Hudson Report has established a reputation as a key socio-economic indicator in the New Zealand market. The Report's quarterly findings on permanent employment expectations are built on the premise that the expectation to increase or decrease net staffing levels represent a significant indication of employers' optimism for the growth of their organisations.

The Hudson Report frequently refers to the term 'net effect' in relation to employment expectations. The net effect figure is calculated by taking the percentage of employers surveyed that

expect to increase staff levels during the quarter and subtracting the percentage of employers surveyed that expect to decrease staff levels.

The Hudson Report combines the expectations of key employment decision makers from all major industries across small (<20 employees), medium (20-200 employees) and large (>200 employees) organisations, and extrapolates the findings in relation to other key economic indicators (ie interest rates, housing figures).

For the January - June 2007 half year, 1,911 employers were personally surveyed by Hudson recruitment and consulting professionals. Participants were surveyed from 18 core industry groups, as detailed below:

- Advertising / Marketing / Media
- Construction/Property / Engineering
- Education
- Financial Services / Insurance
- FMCG
- Government
- Healthcare
- Information Technology
- Manufacturing
- Non-Profit
- Professional Services
- Resources
- Retail
- Telecommunications
- Tourism/Hospitality
- Transport
- Utilities
- Wholesale/Distribution

# Introduction

## Flexibility: A Continuing Imperative

New Zealand's employment landscape is in the grip of a growing skills shortage and combined with the ageing workforce, employers are being challenged to examine their approach to retention and workforce development.

At the same time work/life balance is becoming an increasingly important issue. As the shortage of skilled people threatens productivity and growth in many key sectors, sophisticated strategies for the management of human capital has never been more crucial to an organisation's commercial sustainability.

The Department of Labour has formally recognised this challenge and has commissioned a discussion paper to be prepared to explore how workplaces can benefit from flexible work arrangements. This paper will be available early 2007.

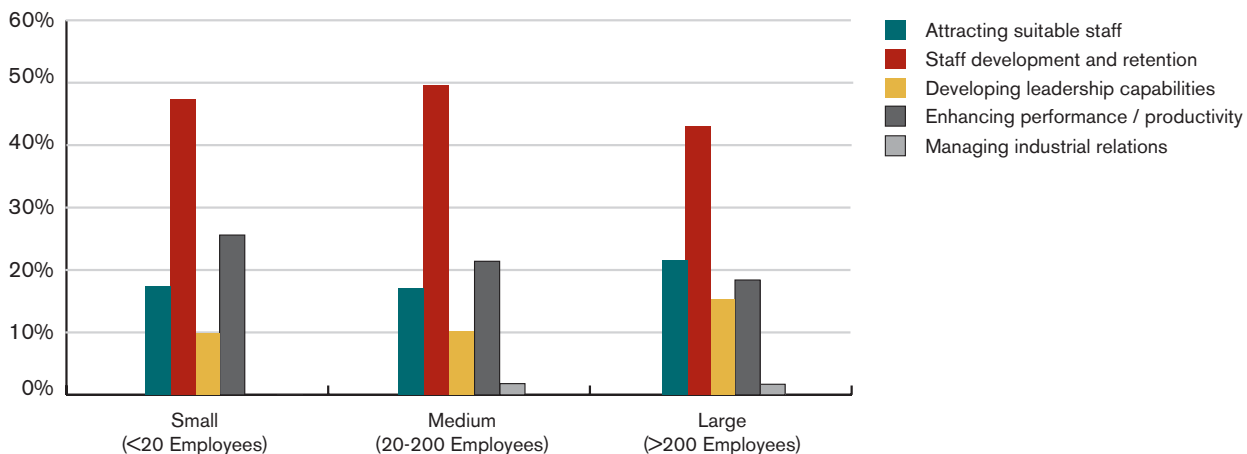
In this report, 46% of New Zealand employers surveyed place the development and retention of staff as their number one priority. A further 19% ranked attraction of suitable staff as their highest priority nationally.

In this paper, Hudson explores a well-known but little understood flexible work solution, job sharing. Gaining traction in Australia, Europe and America, job sharing is used in a myriad of ways to help organisations manage a variety of people management issues.

Hudson surveyed New Zealand employers to obtain an in-depth understanding about the application of job sharing within New Zealand. New Zealand employers were asked about the prevalence and subsequent benefits of providing jobshare programmes, as well as assessing the perceived impact of not providing this flexible work option to current and prospective employees.

The results provide a compelling case for employers to provide integrated job sharing programmes as a flexible work solution to their employees.

Which of the following is your organisation's highest HR priority for 2007?



# Introduction

## Flexibility in the NZ Market

Flexible work is a business strategy that can be used to help retain and attract employees. Job sharing is one way to offer flexibility.

We know today that we are no longer working a standard 40-hour working week:

- 19% of New Zealanders work more than 50 hours per week
- 40% have variable hours of work
- 18% do shift work
- About a quarter work some hours at night.

(Source: Quality Flexible Work: Increasing the availability and take-up in New Zealand. Department of Labour Discussion Paper 2006.)

We know that a significant portion of employees experiencing work-life conflict, particularly those providing child and eldercare. We also know there is a skills shortage in New Zealand, and this will continue into the foreseeable future.

There is a significant disconnect between the availability of flexible work solutions and the actual need.

New Zealand is beginning to explore flexible work solutions more seriously, from both a legislative view point and as a retention strategy. Certain industries are more advanced than others.

## Defining Job sharing

While the concept of job sharing is well recognised, the application of it may not be so well understood. As a result there are various misconceptions around the topic. In this context, before detailing the results of the survey, it is perhaps appropriate to define job sharing as a concept and explain briefly the people issues it is used to address.

## What is Job sharing?

Put quite simply, job sharing involves two or more people sharing one fulltime role. The role can be designed and established in many different ways. 'Sharers' can partner with individuals of the same skills or complementary skills. They can share, divide or split the responsibilities of the role. The design chosen is dependant upon the nature of the role, skills of the partners, and each individual's work needs. Job sharing can be applied to most full-time roles, as long as the role has been properly designed.

## When Would an Individual Jobshare?

Work/life balance is the key driver for individuals looking to jobshare. Responding to people's key drivers leads directly to improved employee retention. This is why job sharing is an important option to seriously consider for organisations of any size.

Some of the reasons why an individual might seek to jobshare include:

- Balancing family needs which may involve children or providing elderly care
- Balancing study and work
- Transitioning mature-aged workers into retirement, by moving from fulltime to part-time employment for an agreed period of time
- Those seeking improved work/life balance by reducing their working hours.

Individuals choose job sharing to meet the many demands of career and life that our society now presents.

Job sharing provides the employee with the flexibility required without putting career progression on hold or de-skilling, which can often be the experience of individuals that participate in the part-time workforce.

Organisations need to engage directly with the issue of work/life balance as part of their overall retention and attraction strategy. Companies who understand the changing environment will gain a significant competitive advantage over rivals competing in the same skills pool.

## What is a Jobshare Programme?

The jobshare programme includes all the components required to establish and implement a proactive jobshare environment and solution. These components include:

- A jobshare policy
- Supporting business controls
- A governance structure that has clear and defined roles and responsibilities
- An operational business process, that defines exactly how the jobshare process operates from conception to implementation
- Forms that ensure there is a consistent approach to decision making
- A user manual targeted at both managers and individual to support and explain the entire process, and
- A supporting system that allows individuals to register their interest in job sharing and to search for potential jobshare partners.

These components ensure there is a robust and consistent approach towards job sharing.

# Survey Findings

## Are Organisations Offering Jobshare Solutions?

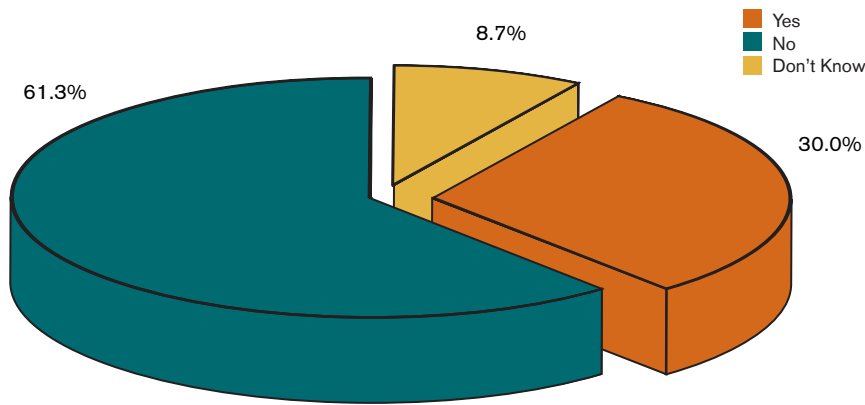
Employers were asked if their organisation provides a jobshare programme for employees. Over half of the employers responded no, a further 8.7% did not know, with the remaining 30% responding yes.

When these responses were divided into industry sectors some variance emerged. A jobshare programme was most prevalent in the healthcare (39%), not for profit (39%), financial services/insurance (39%), and education (38%) industries. Conversely, a higher percentage of employers within the resources (88%), wholesale & distribution (83%), transport (77%) and construction / property /

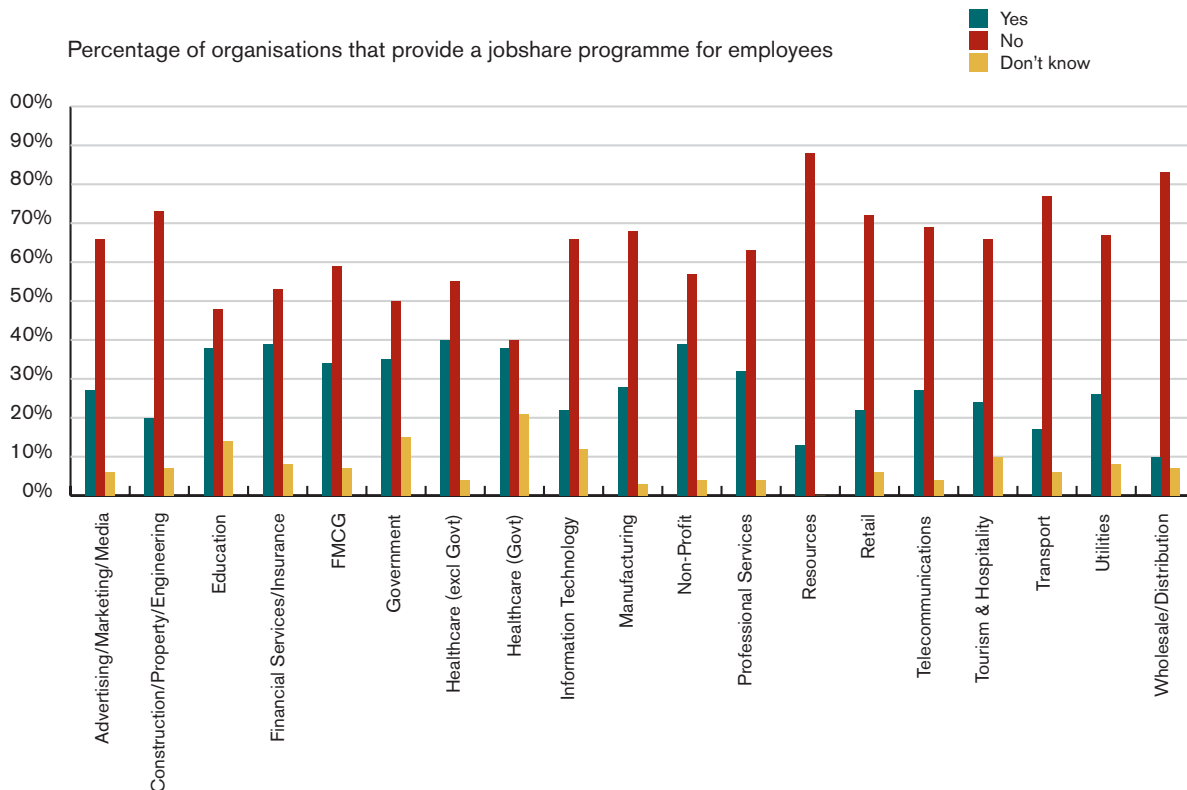
engineering (73%) indicated that their organisation did not offer jobshare programmes.

Job sharing opportunities appear to vary considerably depending on the size of the organisation. The results suggest larger organisations are more inclined to provide jobshare solutions, 21% of large employers and 35% of medium sized employers offer jobshare programmes, as compared to less than 13% of small employers.

Percentage of organisations surveyed that provide a jobshare programme for employees



Percentage of organisations that provide a jobshare programme for employees



# Survey Findings

## The Benefits of Job sharing

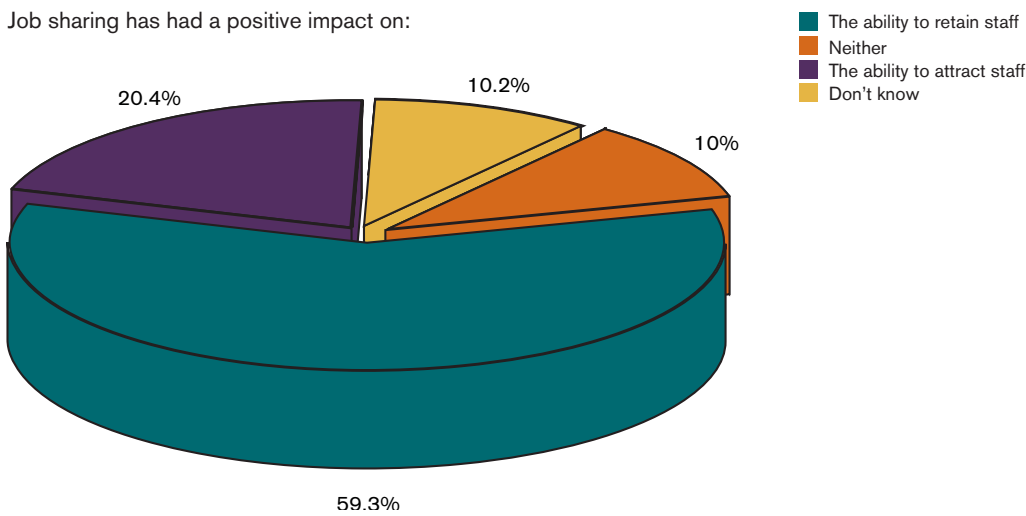
Those employers who they had a jobshare programme were asked whether the existence of the programme had a positive effect on the attraction and retention of staff. Over 79% responded that they saw a

positive impact on the attraction and retention of staff, as a result of providing a jobshare programme.

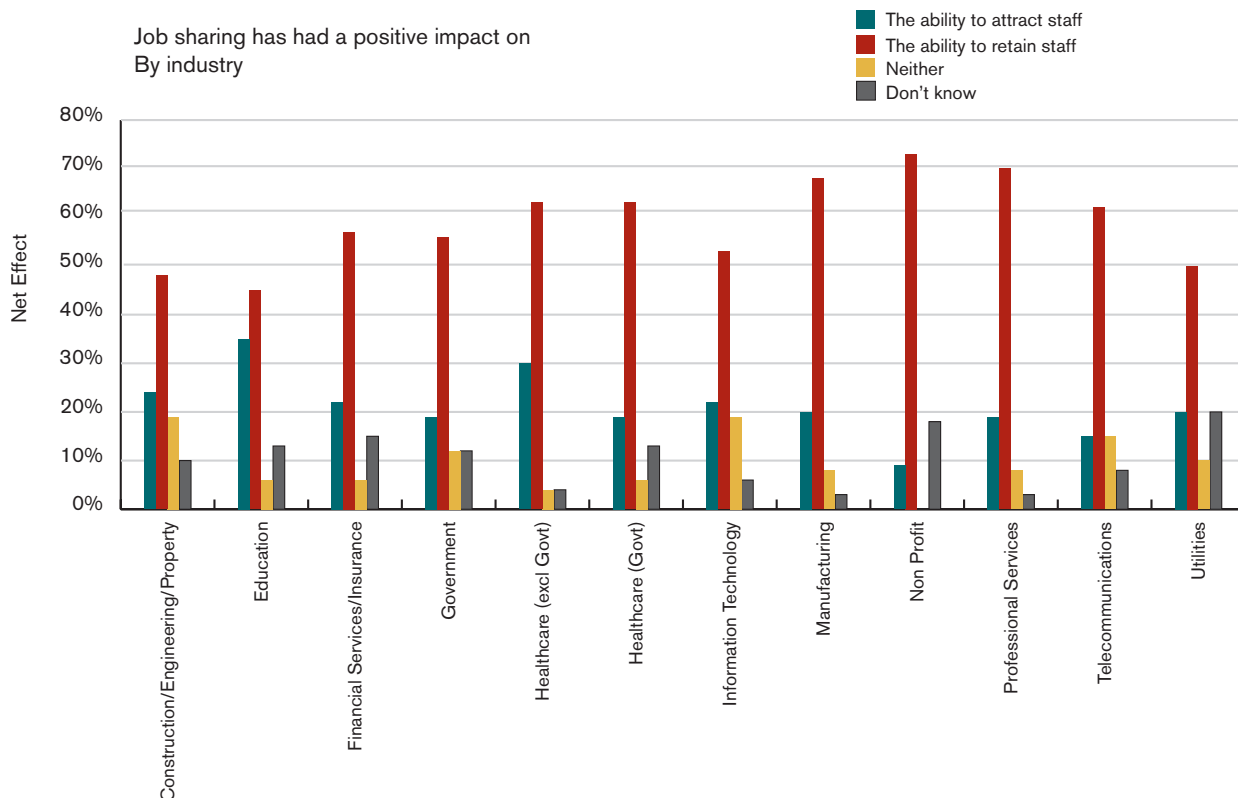
Unsurprisingly, the primary emphasis (59%) lies in the arena of staff retention. The response was consistent across regions and organisational size, although there was some variation

across industry sector. The industries that believed job sharing had a positive impact on retention included: not for profit (73%), manufacturing (68%), professional services (70%) and healthcare (63%).

Job sharing has had a positive impact on:



Job sharing has had a positive impact on  
By industry



# Survey Findings

A small number of respondents (less than 14%) reported job sharing did not have a positive impact on the attraction and retention of staff, were then asked what the possible reasons could be. Over 25% believed it was due to a lack of understanding and awareness within the organisation and 5% cited a lack of managerial support and poor implementation as the key reasons. This report will consider these organisational issues in a later section.

Of those 66% of employers who did not offer a job share programme they

were asked if the absence of a job share programme had an impact on their organisation's ability to attract or retain staff. Of the respondents, 14% confirmed that the lack of a jobshare programme had negatively impacted their ability to retain and attract staff.

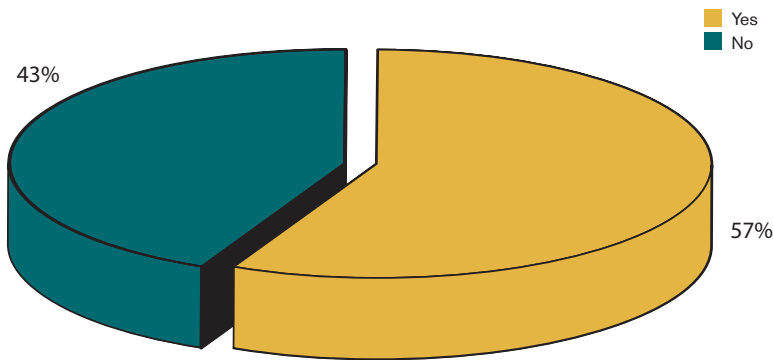
Some 23% of respondents did not know whether there was an impact and 63% believed there was no impact. This contrasts sharply with the 79% positive response from those with jobshare programmes, and points to a clear disconnect in perceptions

between the two groups. It would seem from the results of the survey that those that have tried job sharing, see that it works.

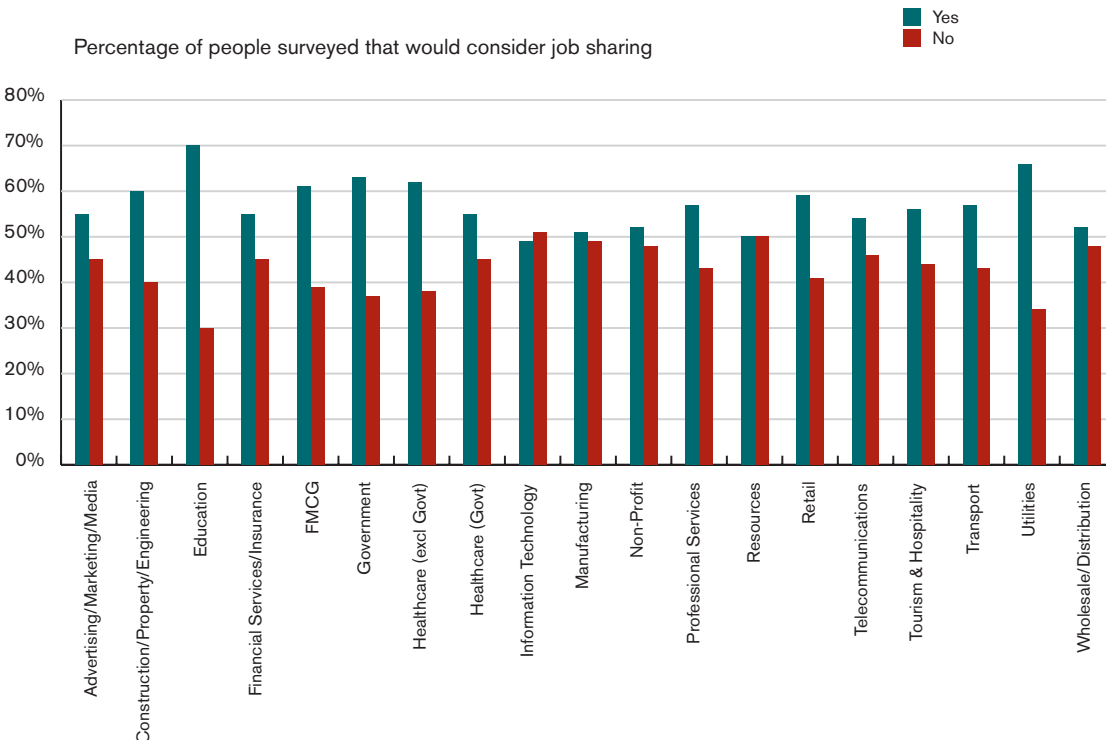
However, even more interestingly, the survey results go on to show that there is a demand for job sharing regardless of whether there is a jobshare programme in place.

Hudson asked the people surveyed if they themselves would consider job sharing as an employment option, now or in the future. Some 57% responded

Percentage of employers that would consider job sharing as an employment option



Percentage of people surveyed that would consider job sharing



# Survey Findings

yes. The results were consistent across industries, with a slightly higher response in those industries that are already job sharing.

It is very interesting to note that some of the industries with the lowest number of job sharing programmes currently in place have in fact some of the highest demand for job sharing from individuals.

# The Way Forward

It is clear from the results of the survey that there is a strong demand for job sharing, both as an organisational and individual flexible work solution. Employers are beginning to provide jobshare programmes (to varying degrees) and individuals are considering job sharing as a serious work option.

The evidence also confirms that when a job sharing programme is properly implemented and integrated into an organisation it significantly contributes to an organisation's ability to attract and retain staff. Reductions in staff turnover and replacement costs also mean organisations can realise real bottom line benefits.

The Hudson Report survey findings are in line with international research. "The ability to access flexible work arrangements can affect a job seeker's choice of employers or the decision to stay in the job"<sup>1</sup>.

Job sharing is clearly a powerful management tool, applicable and effective in dealing with numerous people issues. They include:

- The ability to retain working parents and ensure a high return rate after parental leave

- The effective transitioning of matured workers into retirement and ensuring the transfer of organisational knowledge, experience and skills
- The retention of valued employees, particularly in areas of skill shortages
- The retention of working mothers to improve the availability of female employees of leadership quality
- The improvement of attraction capabilities, by promoting values and behaviours of an 'employer of choice'.

Flexibility in work solutions has mutual benefits for the individual as well as the organisation. For employees job sharing provides an increased sense of recognition and value because they have a work solution that doesn't impact their career progression and allows them to continue to participate in full-time work opportunities.

But clearly from the survey results, obstacles remain that impact the successful utilisation of jobshare programmes in New Zealand.

## What are the Obstacles?

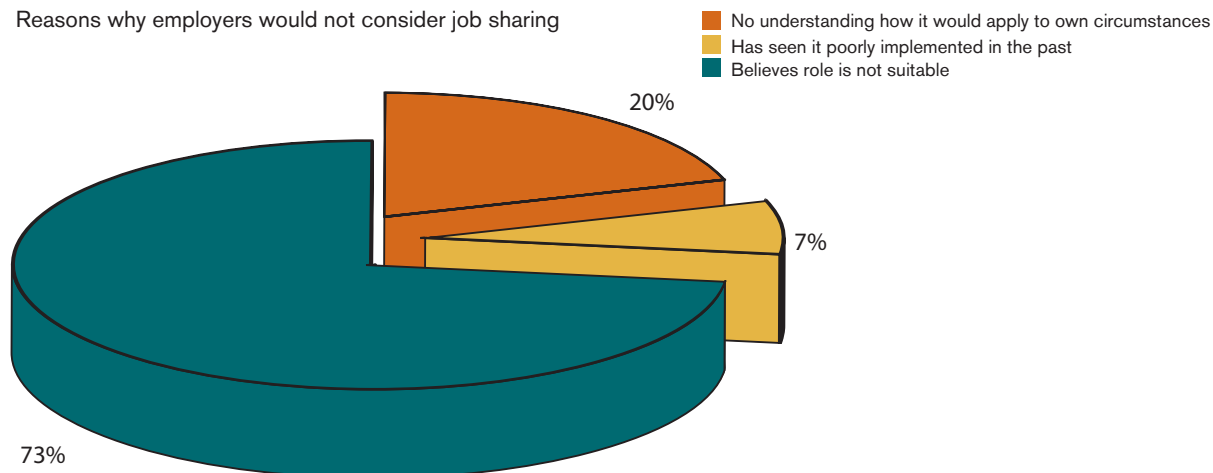
There is unquestionably a number of myths around the application of jobshare but the most prevalent in the New Zealand employment landscape is undoubtedly with regards to the specific job role not being suitable to share.

The employers surveyed who indicated that they would not consider job sharing as an option were asked why. The majority, 73%, said that their role was not suitable for sharing, 20% responded that they did not understand how job sharing could be applied to their circumstances, and the remainder indicated that they had seen it implemented poorly in the past.

These three responses encapsulate many of the preconceptions held about job sharing, which have emanated from a lack of understanding and awareness. This in many cases is due to a failure of organisations to pro-actively promote and effectively integrate job sharing as a work option through an effective change management plan.

Effective education and communication campaigns will counteract myths and preconceptions prevalent within organisations, and externally in the marketplace.

Reasons why employers would not consider job sharing



<sup>1</sup> When work works - a business perspective on workplace flexibility - when work works an employer strategy for the 21st century (USA, Cathy Healy)

# The Way Forward

## Tackling the Myths Head On

Myths of any kind are often hard to dispel. This is the case with myths around job sharing, as the data from the survey has already shown. In this section some of the most common misconceptions about job sharing are debunked.

*Job sharing doesn't suit my role, isn't it only for 'women with children' in administrative roles?*

In an international context job sharing has been applied to most roles. As long as the role is properly set up job sharing is equally applicable for administration, client-facing positions, management and operational roles. Job sharing is most valuable when used as a retention tool, particularly to retain senior employees as the cost of replacing senior staff increases exponentially.

*A job sharing policy is the same as a jobshare programme.*

A jobshare policy is only a small part of an organisation's jobshare programme. An integrated programme focuses on the elements that put the policy into practice. A programme includes elements such as business controls, governance, operational processes, jobshare application (register), education, training and operational reporting.

*Jobsharers must have the same skills profile and personality type to be effective jobsharers.*

What has been found to be critical to making job sharing a success in other employment markets is ensuring the jobsharers are committed to the jobshare programme and their competencies match the specific needs of the role. Sharers may have the same skills or they may have complementary or unrelated skills - this is dependant on the role type and the nature of the role.

*Jobsharers require twice the amount of time to manage.*

In fact, global evidence suggests the opposite. Experienced supervisors of jobsharers generally agree that less supervision is required after the job sharing relationship is well established. This is because the emphasis is on the sharers to make the arrangement work, and sharers tend to supervise each other's work. This is an inbuilt form of quality assurance, which reduces errors and encourages self-supervision.

*Job sharing costs the business too much.*

The full-time salary of jobsharers is split between the employees on a pro-rata basis. Hence there are no additional remuneration costs. The only exception is when there is an agreed overlap time. There are some additional costs such as extra payroll calculations or training. However, the provision of coverage for each other during periods of leave generally offsets these additional costs.

## Practical Applications of Job sharing

As already mentioned job sharing has historically been stereotyped as a solution for working mothers and administration staff. The belief that a lot of roles aren't shareable exists within the mindsets of both New Zealand employers and employees, as demonstrated by the survey results.

Hudson has drawn together some practical applications, based on real-life experiences, which show the depth and breadth through which job sharing can be applied, and the variety of people issues it can be used to help manage.

## Practical Application One - Working Parents

Lisa and Kelly both work for a first-tier bank. They are in their late 30s, with children of pre-school age. Both women had children later in life, after working

for 10 or more years, having invested significant energy and passion into their careers. They wanted to continue with the same employer, but needed greater flexibility. The agreed solution was to work a five-day fortnight, two days one week and three days the next. They share all responsibilities in their role, and made a two-year commitment to share. This situation benefits both parties because the employer retains two valued and experienced employees and Lisa and Kelly are able to continue in their career path working in a challenging and fulfilling role.

## Practical Application Two - Transition to Retirement

Joe is 65 and although legally and financially he could retire, he wanted a work option that would enable him to continue working. Joe has worked for an insurance company for more than 30 years, giving him an incomparable network and skills base. Joe began job sharing with David, a colleague 20 years his junior; training, coaching and mentoring him in a way that sets up a smooth and effective knowledge handover.

Joe works three days a week, and they share one common day as a handover/training day, and they have divided responsibilities whilst David is being trained. The programme is planned for completion in 18 months, when the terms will be renegotiated. The intention is that Joe and David will move to a model of fully shared responsibilities and Joe will have a phased exit out of the organisation over a two year period.

This situation benefits both parties because the company is retaining Joe's corporate skills and a network of clients loyal to him, while David receives one of the most valuable forms of training: on-the-job training with an industry specialist.

# The Way Forward

## Practical Application Three - Graduate Programmes

Lucy is a recent marketing graduate, recruited to the retail sector. She is in an accelerated graduate programme. She is unsure about where she would like to specialise: marketing, procurement or finance. Lucy is sharing two roles: she shares with Shane, a marketing analyst and with Keith, a procurement specialist. This provides her with active mentoring and training so that her potential can be realised quickly. Lucy's employer suggested this programme in order to broaden her company experience as quickly as possible. The programme was designed for 18 months, after which Lucy will move into another jobshare role that will include branding and finance.

This situation benefits both parties because it provides Lucy with a direct network, on-the-job training, mentoring and coaching, and ensures Lucy gains invaluable experience within the business. For Lucy's employer the graduate jobshare programme allows sufficient time for Lucy to move through the development phases of "forming, storming, norming and performing", so that she provides value to the roles she shares.

## Further Considerations

Historically, within New Zealand, the responsibility to establish a jobshare partnership has remained with the individuals. The individuals have been required to find a partner, sell the flexible work request to their manager, set up the role, communicate to all parties and integrate into the business.

Ultimately they are being asked to be responsible for making it work. This is a lot to ask of individuals, and is a key reason why job sharing has not been embraced as well as it could be. Globally, successful job sharing comes

from the organisation and individuals working together in partnership and sharing the responsibility for making it work. The organisation provides the framework and programme for job sharing, and the individuals work within these parameters. In the US and Europe, job sharing is used by organisations as a powerful business tool to help manage the people issues they face today.

To extract the maximum benefits of a job sharing programme there must be commitment, clear responsibilities, supporting systems and an understanding of how and why job sharing is being used within the organisation.

### Job sharing:

- **Improves retention levels** by providing individuals with the opportunity to continue working in challenging and fulfilling roles without de-skilling or losing opportunities for career progression
- **Provides access to a broader pool of skills and expertise**, including working parents and mature-aged workers transitioning into retirement
- **Improves attraction capabilities** by promoting values and behaviors of employers of choice
- **Enhances performance, productivity** by encouraging an increased sense of loyalty, value and recognition from the jobsharers
- **Improves the ability to better manage workloads and guarantee business continuity** - well-established jobsharers require less supervision as they tend to manage each other
- Provides the **opportunity to extend customer service and hours of operation**.

## Key Components of a Successful Jobshare Programme

There are many components to a successful jobshare programme. Experience in European and American markets has identified three central themes upon which organisations should base their approach.

1. Firstly, define the **business case** for implementing job sharing. Like any business initiative, it is essential that the case for change is clearly defined, quantified and understood.
2. Create a **sustainable job sharing solution**. The solution should have three basic building blocks:
  - Jobshare policy - the objective of the policy is to establish and define the parameters in which a job sharing solution can operate
  - Business controls - these are essential to ensure there is clear governance in place to manage the jobshare solution
  - Operational job sharing process, which includes all the elements that dictate how job sharing will be initiated and activated, how to register interest, how potential sharers are matched and how a manager authorises a jobshare request.
3. The final theme is **change management**. Organisations need to integrate jobsharers into their environment and job sharing into the organisation's way of working, culture and behaviours. Like any change, it is essential that the new work style and process is communicated to all stakeholders, particularly those with whom the jobsharers interact.

# The Way Forward

## Key Components of a Successful Jobshare Arrangement

There are many components to a successful jobshare arrangement. Our research has shown four key areas:

1. Understand the role to be jobshared. This is essential because different role types lend themselves to different jobshare design options. Once the nature of the role is understood, the most appropriate jobshare design can be selected.
2. Develop a Jobshare role description, this description builds on a tradition role description but incorporates the jobshare components including:
  - a work schedule for each share
  - how responsibilities are being apportioned between them
  - communication plan to ensure an effective handover between the sharers
    - how they will contact each other in the case of urgent situations,
    - if they are providing coverage for each other during leave periods.
3. Recruit and match potential jobshare partners. This involves reviewing skills and competencies and ensuring the sharers have the ability to work together in a team environment.
4. Go live and communicate. The jobsharers need to integrate effectively into their new role and environment. This involves communicating with their clients and peers before they start sharing.

## In Summary

This Hudson Report has explored the perceptions around job sharing in the New Zealand employment landscape.

The key points to draw out of the survey results are:

- Both employees and employers show a high level of interest in considering job sharing as a work option for themselves now or in the future.
- There is a disconnect between the level of interest individuals display for job sharing and the volume of organisations providing a jobshare programme.
- The understanding of job sharing remains limited, with results showing that many are unsure about how job sharing could be applied to their personal circumstances or roles.
- Employers who have a job sharing programme overwhelmingly believe it has a positive impact on their organisation's ability to attract and retain staff, with particular emphasis on retention. Taking into account the survey results, and the application of job sharing in both Europe and America, there is significant opportunity for New Zealand employers to embrace job sharing as a powerful business tool. Job sharing can be used by organisations to help manage real people issues and aid in the retention and attraction of employees.

If employers are to remain competitive, it is critical that they respond to the changing needs of the workforce. Job sharing is an innovative flexible work solution that, if implemented properly, will help an organisation attract, engage and retain their workforce.

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