

Family Friendly Enterprise:

Slovenia Leads the Way

By Wayne Visser

Only 14% of employees in the UK (compared with a 21% global average) are fully engaged in their work; one in four (24%) are not satisfied with their job and nearly one in three (30%) do not feel engaged by their employer. This, according to a Towers Watson Global Workforce Survey. Another survey, by London PR agency 'The Fish Can Sing', found that 66% of all 18-35 year-olds are unhappy at work, and the proportion rises to 83% among 30-35 year-olds. According to their results, one in 15 has already quit the rat race and 45% are seriously contemplating a career change.

This is no trivial matter. Gallup estimates the cost of employee disengagement to the UK economy to be somewhere between £59.4 billion and £64.7 billion. Part of this cost is sickness-related absenteeism: engaged employees in the UK take an average of 2.7 sick days per year, as compared with the 6.2 of the disengaged. The Centre for Mental Health estimates that employers lose around £8.4 billion a year this way. However, nearly double this amount (£15.1 billion a year) is due to productivity loss from people not feeling well in the workplace – a phenomenon they call 'presenteeism'.

Turn the trend around, however, and there is a big upside. Research by the Corporate Leadership Council suggests that engaged employees are 87% less likely to leave their organisation. According to the IES/Work Foundation, if companies increased investment in workplace engagement by 10%, they would increase profits by £1,500 per employee per year. That is because engaged employees generate 43% more revenue than disengaged ones and highly engaged organisations have the potential to reduce staff turnover by 87% and improve performance by 20%.

Given these statistics, it is hardly surprising that issues of wellbeing in the workplace are on the rise. In the UK, Business in the Community (BITC) promotes this agenda through their Workwell Campaign, while globally the Great Place to Work® Institute partners with more than 5,500 organisations with around 10 million employees to conduct the largest annual set of workplace culture studies in the world. According to their research employees believe they work for great organizations when they consistently trust the people they work for, have pride in what they do and enjoy the people they work with.

Great Place to Work's® annual surveys and awards give kudos and some PR-driven reputational payback for companies that are investing in workplace wellbeing. For example, Microsoft topped the leader board in 2011 for the best multinational to work for globally, as well as in Europe. Michel Van der Bel, Managing Director, Microsoft UK says, 'For us that means greater creativity, greater productivity and, ultimately, continued success as a market leader'. Kimberly Clark scored top in Latin America and the Admiral Group leads in the UK. Importantly, Great Place to Work® also recognise large national companies and small and medium sized enterprises.

Awards are one way to recognise best practise. Another is certification of management systems, which tends to encourage greater embedding of the issues in organisation. One place where this is happening is Slovenia, where the Ministry of Labour, Family and Social Affairs, in partnership with auditing firm The Ekvilib Institute, has run a Family Friendly Enterprise certification scheme since 2007. To date over 130 companies employing around 50,000 workers (7% of Slovenian workforce) have been certified. The certification scheme is based on the 'European Family Audit' system developed by the German organisation Berufundfamilie and currently used in Germany, Austria, Hungary and Italy.

In Slovenia, the certification focuses on employer practises that support work-life balance, especially creating a work environment that supports women with young children that do not want to trade off their career aspirations and family commitments. For example, employees with children are given flexible working hours and additional leave days, various stress relief programmes are offered, and a special team is established to introduce better methods of work which coordinate professional and family life, including services like counselling, child care, babysitters, vacation offers and spaces for children in the company.

Some leading role models in these practises in Slovenia include Dejan Turk, the relatively young CEO of the second biggest mobile operator Si.mobil, as well as Matjaz Cadez, founder and former CEO of the IT company Halcom, and the Ursic brothers, who own a small manufacturing company IMAS. But family friendly enterprise goes beyond the good reputations of a few. The results across all the Slovenian certified companies are impressive. Academic research¹ shows that these businesses benefit commercially in a number of ways: in particular, they achieve a reduction in staff turnover and sick leave, along with higher employee productivity, motivation, satisfaction and commitment.

Apart from these quantifiable business case benefits, family friendly enterprise is also about a shift in leadership perceptions and organisational culture. According to Ales Kranjc Kuslan, director of Ekvilib Institute, in their certified companies, 'top management starts to think of employees as partners and a long term investment, rather than just another cost.' Petra Hartman, project officer at Ekvilib Institute, believes this is even more critical in a recessionary environment. 'In times of economic crisis, companies will have to be creative in rewarding their employees in non financial ways.' And what better way than by creating a work environment that supports not only you and your job, but also your family and your quality of life.

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¹ Introducing The Family-Friendly Workplace: An Analysis Of Its Effects On Organisations, by Tadeja Knaflič, Anja Svetina Nabergoj & Marko Pahor, Social Responsibility, Professional Ethics, and Management Proceedings of the 11th International Conference, Ankara, Turkey, 24–27 November 2010